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WEEKEND SEPTEMBER 7/SEPTEMBER 8 1996



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The 48-page autumn issue of How to Spend It magazine

Clinton campaign receives boost from jobless total

The US unemployment rate dropped from 5.4 per cent in July to 5.1 per cent in August, giving President Bill Clinton new evidence that the economy is "on the right track".

Olivetti defends interim results: Olivetti released a statement defending its half-year accounts following allegations that the Italian information technology company had published misleading interim figures.

Summit on expanding Nato: President Bill Clinton and other western leaders will hold a summit next spring or summer to decide formally on enlarging Nato and a new relationship with Russia based on a formal charter.

Mr Copper faces lawsuits: Sumitomo Corporation, the Japanese trading house, is preparing a civil suit against Mr Yasuo Hamana, its former copper trader whose activities on the London Metal Exchange led to losses of more than \$1.5bn.

First Austrian Savings Bank threw the privatisation of Creditanstalt, Austria's best known bank, into turmoil when it left the consortium bidding for the Austrian government's majority stake.

London stocks rally after sharp fall: The FT-SE 100 index rallied after falling more than 80 points to close up 5.8 at 2,893.0.

Mr Kohl will see you now: Mr Kohl's public appeal, a characteristic move by the down-to-earth career soldier, is a sign that the Kremlin may be forced to make official arrangements taking into account the president's health.

Mr Lebed and Mr Chernomyrdin are thought to be rivals for the presidency, but the security chief's forthright endorsement suggests the

speculation and fears about a big rise in US interest rates. London stocks, Page 21; World stocks, Page 18; Markets, Weekend Page XX

Axa buys outstanding shares: French-based insurer Axa paid FF6.9bn (\$1.1bn) to acquire the 10.8 per cent of its outstanding shares held by Italian insurer Generali.

Dai-ichi, Japan's largest retailer, has cut its 200-year earnings forecast by half to ¥15bn (\$110m) following the recent food poisoning epidemic which depressed sales of vegetables and meat.

Taiwan lawmaker admits trial link: Taiwanese national legislature member, Lo Fu-chai, has admitted he is the "spiritual head" of the Heavenly Path Alliance one of the country's biggest gangs.

Hurricane Fran kills 12: Hurricane Fran weakened into a tropical storm after killing at least 12 people and causing millions of dollars in damage. The storm crossed the North Carolina coast at Cape Fear with top winds of 115mph (185kph) submerging beach towns, ripping roofs off buildings and washing away boats.

FT.com the FT web site provides online news, comment and analysis at http://www.FT.com

Table with 2 columns: Company Name and Share Price. Includes Aetna, BP, Berjaya, Canal Plus, Ford, Hyundai, Hyundai, Morgan Grenfell.

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Lebed urges Yeltsin to step down for surgery

By Chrystia Freedland in Moscow

Mr Alexander Lebed, the Russian security chief, yesterday said President Boris Yeltsin should formally hand over power to his prime minister before undergoing heart surgery later this month.

Mr Lebed's proposal, following similar demands by Communist party leaders, is the opening move in a struggle for power which is expected to convulse Russia in the wake of Mr Yeltsin's announcement earlier this week that he would name an operation.

Mr Lebed told Russian television last night: "A situation has arisen where someone [Yeltsin] is temporarily unable to carry out his duties. For that period, by his order or decree, a person who would run the country and be responsible for what is going on should be clearly defined and named - and his name is [Prime Minister Viktor] Chernomyrdin."

According to the constitution, power passes to the prime minister if the president dies or is incapacitated. However, Russian law does not specify who has the right to determine that the president is no longer fit to rule.

Mr Lebed's public appeal, a characteristic move by the down-to-earth career soldier, is a sign that the Kremlin may be forced to make official arrangements taking into account the president's health.

It also heralds a twist in the contest to succeed Mr Yeltsin. Mr Lebed and Mr Chernomyrdin are thought to be rivals for the presidency, but the security chief's forthright endorsement suggests the

political newcomer may have reached an understanding with Mr Chernomyrdin. Formally handing over power would be an unsettling and unprecedented step for Russia. But appointing Mr Chernomyrdin, a former industrialist who has steered the Russian economy to financial stability, would meet with the approval of western governments and foreign and domestic business leaders.

The former general's backing of Mr Chernomyrdin was seconded by senior Communist leaders, including Mr Gennady Seleznev, chairman of the Communist-dominated parliament. Mr Seleznev warned that the legislature would take its case to the Constitutional Court if Mr Yeltsin did not give up his authority during his operation.

Still healing their wounds from their humiliating defeat in the July presidential elections, the Communists seemed to relish yesterday's opportunity to point out the fragility of Mr Yeltsin's reign.

Their insistence that the president relinquish power also appears to be an attack on Mr Anatoly Chubais, the president's chief of staff. As the architect of Russia's market reforms and mastermind of Mr Yeltsin's election triumph, Mr Chubais is doubly loathed by the Communists.

In an implicit reference to the chief of staff, Mr Gennady Zyuganov, Communist leader, said: "We must do everything so that the law triumphs and not voters who may use the president's ailment for their own selfish ends."

Dr Kohl will see you now, Page 2



Russian security chief Alexander Lebed, surrounded by bodyguards, arrives in Shail, Chechnya, yesterday

France set to allow private pensions

By Andrew Jack in Paris

The French government is poised to announce tax deductions for savers that will open the way to creating a large number of individual private pensions for the first time.

Officials said yesterday the draft budget law, due to be published on September 18, will contain details of tax reliefs that will be available from as soon as next year for those wanting to invest money for their retirement.

Tax will be payable on the income they receive on this after leaving work.

The details emerged after Mr Alain Juppé, prime minister, announced a package of tax reforms on Thursday that would include incentives for those seeking top-up pensions in addition to their state benefits, but provided little additional information.

Successful French governments have promised to create private pension funds without producing proposals, and repeated announcements by ministers have given rise to considerable scepticism over the impetus for reform.

However, Mr Jean Arthuis, minister of economics and finance, confirmed yesterday that he had launched a consultation exercise on the details of pension-funds.

Mr Alain Madelin, Mr Arthuis' predecessor, introduced a law in 1994 which created the possibility of tax relief for some of the self-employed who wanted to make private pension contri-

Canal Plus in pay-TV merger with NetHold

By Andrew Jack in Paris and Raymond Snoddy in London

The battle for the future of the European pay television market intensified yesterday when Canal-Plus, the subscription TV pioneer, announced plans to merge with the European interests of NetHold. The deal would be worth about \$1.5bn.

The two companies said the merger would create one of the largest television groups in the world, with 8.5m subscribers in France, Italy, Germany, Spain, Scandinavia and the Benelux countries.

The deal virtually completes the carving up of the digital television map of Europe following the acquisition of GLT of Luxembourg by the TV divi-

sion of Bertelsmann and the strategic alliance between Mr Rupert Murdoch's British Sky Broadcasting in the UK and the Kirch Group of Germany.

The fight for NetHold which is owned jointly by Richemont, the luxury goods and tobacco business, and MHI, the South African-owned pay television company, continued until the last moment.

NetHold, it is believed, had been negotiating with both Canal Plus and DirecTV, the digital television service controlled by Hughes Electronics of the US.

Under the US plan, DirecTV would have taken a 30 per cent stake in NetHold while NetHold would have taken a one-third stake in DirecTV's pro-

jects outside the US. The deal would have involved payments of about \$1bn.

Mr Johann Rupert, chief executive of Richemont and chairman of NetHold, said last night he had nothing but admiration for DirecTV. But in the end, Richemont decided it made more sense to build a European partnership rather than go for "a very big more global play" with DirecTV. It is believed DirecTV was only told on Thursday that any possible deal with them was off.

Canal Plus was the preferred partner because "it provides a fabulous combination of internal strong cashflow, a

Continued on Page 24

Morgan Grenfell faces cash claim

By Financial Times Reporters

Morgan Grenfell, the troubled fund management company, was seeking itself for a substantial compensation claim from 90,000 investors after a Big Six accountancy firm was yesterday called in to value three funds suspended this week.

The calculation of investors' losses began as the wife of Mr Peter Young, the star fund manager at the heart of the affair, spoke for the first time about the strain her husband had been under at Morgan Grenfell Asset Management.

"He has been under pressure for the last 18 months and pressures at work have become too much," said Mrs

Continued on Page 24

Harmanna Young. She said colleagues thought his behaviour was eccentric. Mr Michael Dobson, chief executive of Deutsche Morgan Grenfell, MGAM's parent company, said there was no evidence that Mr Young, whom it had referred to a doctor, acted for personal gain. The Serious Fraud Office said it was not investigating the case.

Mrs Young said: "I certainly think that over-enthusiasm is a more appropriate description than dishonesty. I do not think my husband is dishonest in any way."

However, Morgan Grenfell

Continued on Page 24

France opens way to private pensions, Page 2

STOCK MARKET INDICES table with columns for FT-SE 100, US LUNCHTIME RATES, STERLING, DOLLAR, LONDON MONEY, GOLD, and BRENT OIL.

CONTENTS table listing various sections like Money, Man at the News, Gold Markets, World Commodities, etc.

ASIAN CURRENCY AND BOND FUND advertisement with Guinness Flight logo and text: YOUR CASE IS BEING HANDLED IN ASIA.

Relief on Wall Street over new jobs figures

By Nancy Durne in Washington

The US unemployment rate dropped from 5.4 per cent in July to 5.1 per cent in August, providing President Bill Clinton with new evidence to make his case that the US economy is "on the right track".



climb and by early afternoon the 30-year Treasury had added nearly half a point to yield 7.107 per cent. The Dow Jones Industrial Average was up 43.94 at 5,668.99 at 1pm.

Indian herb trick 'turns water into kerosene'

By Mark Nicholson in New Delhi

A young, unemployed south Indian has flummoxed India's top government scientists by demonstrating an apparently simple recipe for producing a kerosene-like fuel by boiling a "mystery" herb in water.

Mr Pillai believes his "wonder herb", as India's press dubbed it, could be a modern equivalent of the Philosopher's Stone, the mythical alchemic substance supposed to turn base metals into gold.

"We have no doubt we are sitting on something very big," said Mr Valangman Ramamurthi, India's top science bureaucrat.

The Indian Institute of Technology in Delhi who staged the experiment.

Watching scientists professed little idea how or why the process worked, but said it conclusively produced "a clear oil separation in substantial quantities" which tests have identified as a hydrocarbon similar to kerosene.

named, given the "explosive" nature of the potential discovery. "There was no magic about it at all."

Court reopens SA constitution wounds

By Roger Matthews in Johannesburg

Parts of the new South African constitution, which took two years to negotiate, were rejected by the Constitutional Court yesterday, reopening the acrimonious debate over the relative powers of central government and the nine provinces.

been at the heart of the bitter and often bloody conflict between the ruling African National Congress and the Inkatha Freedom party (IFP), headed by Chief Buthelezi.

year to meet the objections of the court, placing further burdens on an already heavy legislative programme.

Clinton consolidates lead in opinion polls

By Jurik Martin in Washington

President Bill Clinton's lead over Mr Bob Dole, his Republican opponent, appears to have settled down into the mid-teen range largely because of public confidence in his management of an improved economy.

and Mr Ross Perot of the Reform Party, 8 per cent, while the Washington Post/ABC split was 51-37-12. A Reuters poll, which had consistently put Mr Dole ahead of the president, now has the margins at 43-38-5.

ing little attention to the resignation over a sex scandal of Mr Dick Morris, his political strategist.

Hyundai, Renault in Malaysia venture

By James Kyng in Kuala Lumpur

Three Malaysian companies yesterday formed a joint venture with the French car maker Renault and South Korea's Hyundai to manufacture vans and light trucks.

South Africa's constitutional affairs minister Mr Valli Moosa handed down by the court yesterday. Some parts of the constitution will now have to be renegotiated.

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'Mr Copper' may face civil law suit in Japan

By Emiko Terazono in Tokyo

Sumitomo Corporation, the Japanese trading house, is preparing a civil law suit against Mr Yasuo Hamanaka, its former copper trader whose activities on the London Metal Exchange led to losses of more than \$1.5bn.

This will suit the company, which is trying to forget the case. Although some in the copper industry and even Japanese government officials closely watching the world's copper markets have known of Mr Hamanaka's massive long copper positions, Sumitomo has claimed they were unauthorized and denied any knowledge, saying they were hidden in a "dastardly and complicated" manner.

Credit Lyonnais, have stated that his transactions had been fully approved by Sumitomo board members.

While the copper trades were done on the LME, the phone calls were made from Japan and any crime should be solved in Tokyo, they say.

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COMPANIES AND FINANCE: UK

Schroders downbeat despite 35% rise

By George Graham, Banking Correspondent

Schroders, the independent UK merchant bank, saw its share price dip 54p to £19.83p yesterday, after warning it would have trouble sustaining profit levels.

that conditions for its businesses would become more uncertain with elections on the way in the US and the UK, and with equity markets now reaching all-time peaks.

into the securities business was going "according to plan," with good results from continental Europe and the US.

30, compared with £74bn at the end of last year. Although the value of investments appreciated only modestly, Schroders attracted \$5.4bn in net new money.

tried to emphasise a team approach to fund management rather than the promotion of individual stars.

devoid of risk, either. But although the possibility of an upset exists, it should not be exaggerated.

NEWS DIGEST

Demand helps Reed Executive

The rising demand for temporary labour in the UK helped Reed Executive, the recruitment agencies group, to increase interim profits by 53 per cent.

Board protected by police GEC hears valedictory address Few dissenters to L-tip

Costain podium stormed in bypass protest

By Justin Marozzi

Protesters with dyed orange and green hair stormed the podium at the Costain annual meeting in protest at the construction group contracting to build the controversial Newbury bypass.

pre-tax losses of £142.6m for the year, faced an unending barrage of questions relating to the bypass. One protester, Ms Jill Eisele, told Sir Christopher Costain did not "have a hope in hell of surviving into the 21st century if you continue [with the bypass]."

Lord Arnold Weinstock, one of Britain's most respected industrialists, yesterday used his valedictory address to shareholders in the General Electric Company to launch a sharp attack upon the way corporate governance standards are maintained - and flouted.

ation of British Insurers. Mr Simpson's appointment to the GEC board was carried easily on a show of hands yesterday.

GEC's Stanhope Gate headquarters on Monday. Shareholders gave a standing ovation to Lord Weinstock, who has run GEC for 33 years, building it from annual pre-tax profits of £4m to almost £1bn, and developing a web of international alliances.

has made a comparable contribution to the survival and success of British industry." Yesterday, autographing annual reports for shareholders with his granddaughter Pamela, 15, at his side, Lord Weinstock looked ready to cede the reins of power.

Litho Supplies up 10% in poor market

By Frederick Stodemann

Litho Supplies, the printing industry supplier, reported a 10 per cent rise in interim pre-tax profits to £3.58m against a backdrop of poor market conditions.

purchase from management of Lights Graphics Supplies, an equipment supplier based in Kent, for £231.150.

Wessex Water L-tip approved Shareholders of Wessex Water, the smallest of the privatised water and sewerage companies of England and Wales, yesterday approved a long-term incentive scheme for management.

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mark a further step in a creeping consolidation of the wider industry. Wessex sought to play down rumours that US-owned Waste Management International is set to dispose of its 20 per cent stake in Wessex.

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Pricing forces Laird down 11%

By Tim Burt

Shares in Laird Group yesterday fell 38p to 460 1/2p after the motor components and building products manufacturer reported an 11 per cent fall in first-half profits.

Although sales rose from £477m to £483m, operating profits fell from £38.9m to £36.1m in the six months to June 30.

not come on stream in time to make any difference to the second half. Still, there should be a recovery in the industrial products division and Fullarton remains a strong performer.

Southern Vectis, the Isle of Wight-based bus operator and environmental protection group that has put in a bid for the Isle of Wight railway, saw its share price rise 69 per cent to £1.62n in the year to April 30.

RESULTS Table with columns: Company, Shares, Pre-tax profit, EPS, Current dividend, Date of payment, Dividend cover, Total for year, Total last year

GrandMet loses vodka

Grand Metropolitan has ceased distributing Finlandia vodka in the US and Puerto Rico following the termination of its relationship with Alko and Primalco, the Finnish distiller and its trading arm.

RMC abandons Polish deal

RMC, the building materials group, has abandoned plans to buy a Polish cement plant as part of a potential \$100m (\$64m) investment in the country.

Electra cuts Monument stake

Electra Investment Trust has sharply reduced its stake in Monument Oil and Gas by selling 42.5m shares in the independent explorer.

Disposals help Saltire to £2m

Saltire, the electronics distributor, achieved pre-tax profits of £2.05m in the 28 weeks to July 13, after a £1.9m profit on the sale of operations.

Conister resumes interim

Conister Trust, the credit finance group, has resumed interim dividend payments following the successful integration of three companies acquired in March.

Capita set to purchase RAS

Capita's shares rose 21p to 385 1/2p yesterday after the management consultant announced it was the preferred bidder in the privatisation of the Recruitment and Assessment Services Agency.

CE Heath completes US sale

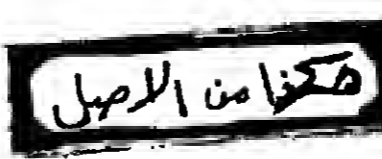
CE Heath has completed the sale of its 55.99 per cent interest in Lloyds New York Insurance Company. It was bought by Strirling Cooke North America Holdings for \$4.64m (£2.97m).

Avonside hints at dividend

Avonside, the building services group, beat tough times in the industry to keep sales almost static and yesterday hinted that it would pay a final dividend.

Cray makes \$14m disposal

Cray Electronics is selling Cray Communications to Osicom Technologies for \$14m (\$2.5m), of which \$1m is in cash and the balance in Osicom preferred shares.



COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper surrenders gains

The London Metal Exchange copper market ended the week in a rather nervous mood after most of last week's rally had been wiped out. That rise had been encouraged by the possibility that any remaining holders of short positions entered into when the Sumitomo scandal broke three months ago would have to cover or roll forward by Wednesday or Thursday, when those positions became prompt in the event, there was very little such activity. "Everybody who was short had plenty warning, so they covered or rolled forward," one trader told the Reuters news agency. "Further forward, it does not look like a problem at the moment."

"People are running for cover very quickly these days. It's getting very hard to follow any trend any more," a trader said, adding that big clearing banks and funds seemed to be calling the shots. At the London Commodity Exchange, robust coffee prices were also in retreat, with the November delivery contract closing yesterday at a four-week low of \$1,533 a tonne, down \$102 on the week. Traders said the price slide was triggering by the breaching of the chart support level around \$1,550 a tonne. "This was good system [computer-based] and options-related selling," said one. "Quite a lot of puts [options to sell] were sold," noted another. Reuters also told traders that settlement was affected by reports that an Italian court had ruled that compensation should be given to companies that suffered huge losses ten years ago because of a price boosting operation - the so-called Patricia Operation. If the ruling is upheld, the Brazilian government could be transferring about 338,739 bags (50kg each) of coffee, held for years in a Trieste warehouse, to four or five companies. "It is quite a bit of coffee," and it won't help prices when released," said a London-based dealer. "The coffee futures yesterday recovered losses sustained earlier in the week in what one dealer had described as "aimless" trading. "There is no fundamental news to spike it up," he said. Producers were reported to have sold fairly substantially during the week. Precious metals were weaker with little buying interest apparent yesterday and traders said they looked vulnerable to further falls. Gold closed in London at \$388.45 a troy ounce, down 70 cents on the day and 95 cents on the week.

BASE METALS

LONDON METAL EXCHANGE (As at Thursday's Close)
LME ALUMINIUM, 25.2 TONNES (5 per tonne)
Cases 3 months
Previous 1450-50
High/Low 1477/1477
AM Official 1245-50
Kerb close 1484-85
Open bid 208.00
Total daily turnover 51,508

Precious Metals continued

LONDON GOLD MARKET (100 Troy oz. \$/troy oz.)
Sep 594.9 -0.8
Oct 594.0 -0.7
Nov 593.0 -0.8
Dec 592.0 -0.9
Jan 591.0 -1.0

GRAINS AND OIL SEEDS

WHEAT LCE (5 per tonne)
Sep 104.75 -0.25
Oct 104.50 -0.25
Nov 104.25 -0.25
Dec 104.00 -0.25
Jan 103.75 -0.25

SOFTS

COFFEE LCE (5000 lbs)
Sep 157.00 -0.50
Oct 156.50 -0.50
Nov 156.00 -0.50
Dec 155.50 -0.50
Jan 155.00 -0.50

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs)
Sep 72.175 +0.25
Oct 72.175 +0.25
Nov 72.175 +0.25
Dec 72.175 +0.25
Jan 72.175 +0.25

WEEKLY PRICE CHANGES

Gold per troy oz. \$388.45 -0.85
Silver per troy oz. \$21.25 -0.05
Copper 99.7% (cash) \$1.425 -0.025
Aluminum 99.7% (cash) \$1.425 -0.025

WORLD BOND PRICES

UK 10 Year 117.00 -0.25
US 10 Year 102.00 -0.25
Germany 10 Year 102.00 -0.25

MARKET REPORT

By Lisa Branson in New York and Sarnar Iskander in London
It took traders a while to decide that the US employment report was rather more bullish than bearish for bonds. By mid-session, market participants were relieved that the data were in line with expectations, which helped US Treasury prices rise, after a volatile morning that saw the long bond plunge. Near midday the benchmark 30-year Treasury was 1/8 stronger at 95 1/2 to yield 7.107 per cent, while the two-year note rose 1/8 at 99 1/2, yielding 6.30 per cent. The December 30-year bond future added 1/8 at 106 1/2.

US INTEREST RATES

1 Year 6.85
2 Year 6.30
3 Year 6.25
5 Year 6.25
10 Year 7.11
30 Year 7.11

BOND FUTURES AND OPTIONS

FRANCE
National French Bond Futures (MATF) FF500,000
Sep 122.40 +0.10
Oct 122.30 +0.10
Nov 122.20 +0.10
Dec 122.10 +0.10

LONG TERM FRENCH BOND OPTIONS (MATF)

Strike Price 121
Calls 122
Puts 123

FT ACTUARIES FIXED INTEREST INDICES

UK Gilts Price Indices
1 Yr to 5 years (20) 121.54 -0.02
2 Yr to 5 years (20) 121.54 -0.02

FT FIXED INTEREST INDICES

Govt. Secs. (UK) 92.79 +0.02
Govt. Secs. (US) 112.97 +0.02

UK GILTS PRICES

Short's (10yr up to 10yr) 8.18 7.82 104.9
10yr 8.18 7.82 104.9

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US TREASURY BOND FUTURES (CBT)

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Close 102.64
Change 0.00

FT EDGED ACTIVITY INDICES

Edged bargains 65.2
Edged average 71.0

Other Fixed Interest

10yr 117.00
5yr 102.00
3yr 102.00

UK

Open 106.80
Close 107.04
Change +0.04

Spain

Open 101.21
Close 101.96
Change +0.67

Italy

Open 115.37
Close 115.82
Change +0.40

LONDON TRADED OPTIONS

Strike price 67
Calls 67
Puts 67

LONDON SPOT MARKETS

Dubai 820.01-0.11
Brent 822.35-0.27
WTI 823.65-0.37

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MORGAN GRENFELL COMMENT & ANALYSIS

Man in the News · Peter Young

The star who fell to earth

Nicholas Denton and Motoko Rich on the disgraced fund manager

Peter Young, the fund manager at the heart of the Morgan Grenfell affair, trod the fine line between genius and eccentricity. A mathematician by training and a boffin by inclination, he impressed brokers and colleagues with the clarity of his thinking and his understanding of the high technology companies in which he invested.

degree in mathematics. He studied to become an actuary from 1960, but the highly strung young man never qualified, and he abandoned the attempt in 1969.

In May 1994, the rapidly rising Mr Young took over the fund. The transition seemed smooth. European Growth continued to excel and persuade new retail customers to trust their savings to the fund. Mr Young brought new qualities: his technical grasp of new products earned him a reputation as one of the smartest investors to high-technology companies.

the Science Museum. They all have an interest in steam engines." His salary and bonus, boosted by his fund's remarkable performance, was to allow him to sell his modest house in a row of terraces in Amersham, Buckinghamshire, and move into a newly built house costing 245,000 in a quiet close nearby.

which funds are closely identified with the personality of their manager. His behaviour had become increasingly bizarre: he talked to colleagues about his patent on a rocket launcher he had designed; and he developed a mathematical model to mimic the burrowing of termites.

asking whether he had had a brain scan. The worries grew when it became clear he had built up large holdings of obscure unlisted securities in Europe.



In the grip of a high-tech dream

FT reporters unravel the bizarre series of investments which lay behind the losses at Deutsche Morgan Grenfell's unit trust business - and how the truth was belatedly uncovered

A quiet conversation between two smartly-dressed businessmen on the flight from Schiphol airport in Amsterdam to London days ago attracted no stentch from other passengers. Yet anyone watching closely might have noticed growing concern on the face of the man asking most of the questions.

Mr Gly Owen, a fund manager employed by the long-established company of Morgan Grenfell Asset Management, took up most of the flight quizzing the intense, bespectacled figure beside him. The man was called Peter Young, and he is the star manager of one of the company's flagship unit trusts.

investors were pouring money into computer and technology companies. Star managers of the large US mutual funds - the equivalent of unit trusts - were placing bets on the rise of a new technology era.

Fiba Nordic had been founded in London at the beginning of 1994 by five young brokers from well-established Scandinavian groups who wanted to make their own way. It quickly got a name for its enthusiastic selling of listed and unlisted shares in companies with as-yet-unproven technologies.

All these holding companies were registered at an office in the Grand Duchy of capital, near the maze of narrow streets that was the old town. It was merely an accommodation address, and the names of the companies did not appear among the 14 names of other companies listed on the brass plate by the door.

By the end of the year, many of the listed companies needed Mr Young's cash more than ever. In the US, the euphoria about the new technology age was fading, and shares had plunged. As the European shares followed the pattern, Mr Young appears to have invested ever more in loss-making, fragile companies.

by reshuffling holdings and using accounting tricks to make it seem he was complying. But while Mr Young's bosses were fooled, the deception started to unravel from elsewhere. On March 25, an article questioning Fiba's role in the Solv-Ex placement appeared in Barron's, the US magazine. Mr Chance of Fiba says he then alerted the Securities and Futures Authority, its regulator.

Mr Young faced competition from at least 20 other comparable funds run by other unit trust managers. Morgan Grenfell's investment in unit trusts through independent financial advisers, flows are volatile. A fund manager who loses his edge will quickly see money withdrawn.

Mr Young worked in an atmosphere of cloistered calm compared with the trading floors of stockbrokers. He and the 50 staff in Mr Owen's international division worked quietly surrounded by piles of investment research.

could make the value of their shares rise sharply in the future. Sniffing out the potential of obscure new technologies was meat and drink to Mr Young, with his mathematical background. As he criss-crossed Europe by plane examining exciting new ideas, the European Growth Fund gradually started to change in its underlying character to a pure technology fund.

The difficulty was that the regulations of the Investment Management Regulatory Organisation (Imro) laid down that no unit trust could hold more than 10 per cent of the shares of any one company. The rule was intended to ensure that unit trust investments were spread around to reduce risk.

Keith Percy, modest and quietly-spoken 51-year-old chief executive of Morgan Grenfell Asset Management, reports to Michael Dobson, formerly headed Union Bank of Switzerland's asset management arm in London

At the same time, according to Deutsche Bank directors, he was further extending his web of Luxembourg holding companies without his bosses' knowledge. Alarm bells finally rang in April, when Mr Young's activities breached yet another set of regulations, this time on unlisted holdings.

Mr Percy handled most of the questioning himself in one of the meeting rooms at Finsbury Circus. Mr Young remained calm throughout, confiding to Mr Percy that every so often he felt "strange". The story that was unfolding was so appalling that Deutsche Bank had to step in.

When discipline breaks down...

1994: Peter Young takes over European Growth Fund, 184 days after joining Morgan Grenfell. 1994: Peter Young sets up Luxembourg holding companies. 1994: Morgan Grenfell gains injunction freezing assets of Young and a Luxembourg registered company, but does not disclose move until the following day.

1994: Morgan Grenfell gains injunction freezing assets of Young and a Luxembourg registered company, but does not disclose move until the following day. 1994: Morgan Grenfell gains injunction freezing assets of Young and a Luxembourg registered company, but does not disclose move until the following day.

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Written by John Gapper. Reporting by Roger Taylor, Nicholas Denton and George Graham in London, Hugh Carnegie in Stockholm and Neil Buckley in Luxembourg

Chronology by Nicholas Denton

CURRENCIES AND MONEY

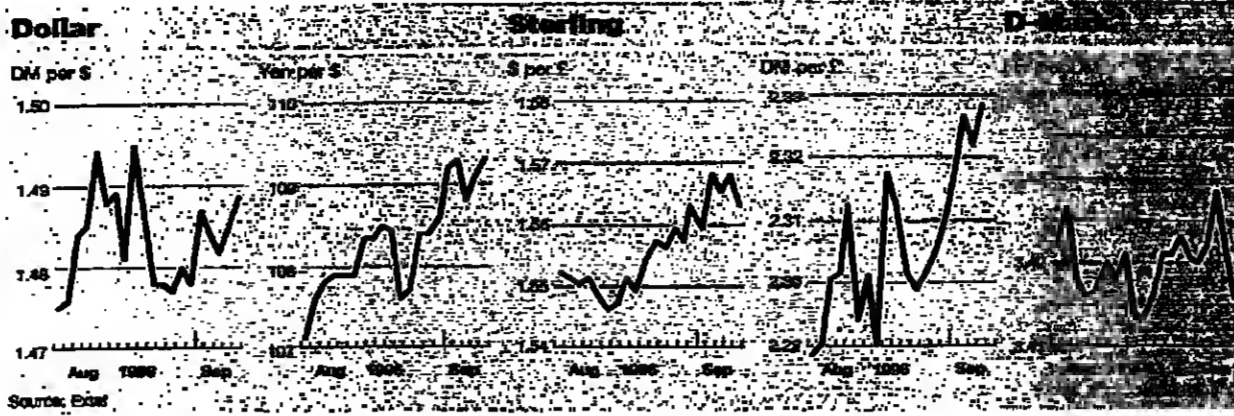
MARKETS REPORT

Low impact

By Richard Adams

Lack of enthusiasm saw the US dollar remain quiet in trading on the foreign exchange markets yesterday, despite more evidence of a US economic revival. The latest US employment data showed growth in jobs to be slightly higher than market expectations. But dealers said the numbers had little effect on the dollar. The dollar ended the day in London firmer against the other major trading currencies. Against the D-Mark it finished the trading day at DM1.4848, having closed at DM1.4849 the previous day. Against the yen the dollar strengthened to ¥109.335, from ¥109.115, with technical support seen at 109.10 and resistance at ¥109.50. The D-Mark weakened slightly in Europe, but generally traded within tight ranges of exchange. It was

virtually unchanged against sterling, closing at DM2.3282 from DM2.3280. The exception was the Italian lira, which enjoyed its second day of steady buying. Having closed on Wednesday at L1021 against the D-Mark, it finished the week at L1014. There was low-key intervention by the Bank of France, whenever the franc's rate against the D-Mark came close to FF3.4305



unemployment rate fell to 5.1 per cent, against expectations of 5.3 per cent. The real question in the market was the effect this further evidence of a growing economy will have on the Federal Reserve which it holds its next Federal Open Markets Committee (FOMC) meeting on September 24. The rise in interest rate futures seen in the second half of the week came as the markets priced in the strong economic data and the expectations of a rate rise of

around 25 basis points. Mr Mark Cliffe, chief international economist at HSBC Midland in London, said: "I would be very surprised if there is a rise at September's FOMC, because it is too close to the election there."

Philip Shaw, chief economist at Union Discount in London, said: "Up until a couple of days ago the markets had partly priced in a rate cut, and now this has gradually been removed. The general view now is that the Fed will not move until the end of the year."

Mr Cliffe said dealers were too bearish over the franc, especially now the general consensus of the French government's budget was known. "We know what to expect and in what areas, so we are thrown back onto the question of strike action," he said. The franc should stay locked into its narrow range against the D-Mark until further developments.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns for Country, Currency, Bid/offer, and various rates. Includes entries for Europe, Americas, and Pacific/Middle East/Africa.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns for Country, Currency, Bid/offer, and various rates. Includes entries for Europe, Americas, and Pacific/Middle East/Africa.

WORLD INTEREST RATES

Table with columns for Money Rates, Euro Currency Interest Rates, and Three Month Euro Futures. Includes entries for various countries and currencies.

CROSS RATES AND DERIVATIVES

Table with columns for Exchange Cross Rates, D-Mark Futures, Japanese Yen Futures, and Sterling Futures. Includes entries for various currencies and derivatives.

EUROPEAN CURRENCY UNIT RATES

Table with columns for ECU, Rate, and various currencies. Includes entries for Austria, Belgium, Denmark, etc.

BASE LENDING RATES

Table with columns for Bank Name, Rate, and various currencies. Includes entries for Aden & Company, Allied Trust Bank, etc.

UK INTEREST RATES

Table with columns for London Money Rates, Three Month Sterling Futures, and UK clearing bank base lending rate. Includes entries for interbank sterling, starting cds, etc.

BASE LENDING RATES

Table with columns for Bank Name, Rate, and various currencies. Includes entries for Aden & Company, Allied Trust Bank, etc.

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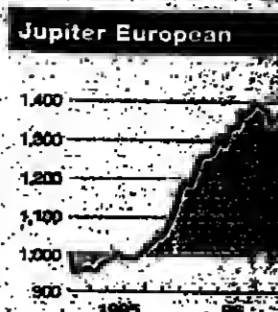
OFFSHORE COMPANIES

OFFSHORE COMPANIES. 1996. 1st year of 1996. 1996. 1st year of 1996.

UNIT TRUSTS

WINNERS AND LOSERS

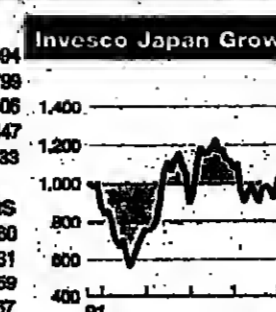
TOP FIVE OVER 1 YEAR
NorthWest UK Smaller Cos
Jupiter European



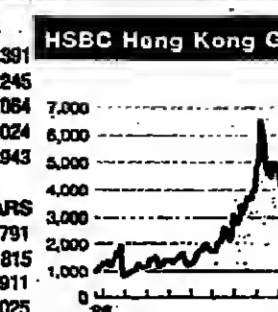
TOP FIVE OVER 3 YEARS
Profit Technology
Baring Europe Select



TOP FIVE OVER 5 YEARS
Profit Technology
Mercury Gold & General



TOP FIVE OVER 10 YEARS
Friends Prov Australian
HSBC Hong Kong Growth



BOTTOM FIVE OVER 1 YEAR
Old Mutual Thailand Acc
GT Korean Securities

BOTTOM FIVE OVER 3 YEARS
Sovnet Japan
Barclays Uni Japan & Gen Inc

BOTTOM FIVE OVER 5 YEARS
Friends Prov Japanese On Cos
Barclays Uni Japan & Gen Inc

BOTTOM FIVE OVER 10 YEARS
Barclays Uni Japan & Gen Inc
Mercury Japan

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: HSW (01625 511311)

Indices

Indices table with columns: Index Name, 1 Year, 3, 5, 10, Volatility, Yield%

UK Growth

UK Growth table listing various funds and their performance metrics.

UK Growth & Income

UK Growth & Income table listing various funds and their performance metrics.

UK Smaller Companies

UK Smaller Companies table listing various funds and their performance metrics.

UK Equity Income

UK Equity Income table listing various funds and their performance metrics.

UK Equity & Bond Income

UK Equity & Bond Income table listing various funds and their performance metrics.

UK Eq & Bd

UK Eq & Bd table listing various funds and their performance metrics.

Gift & Fixed Interest

Gift & Fixed Interest table listing various funds and their performance metrics.

International Equity Income

International Equity Income table listing various funds and their performance metrics.

International Fixed Interest

International Fixed Interest table listing various funds and their performance metrics.

International Equity & Bond

International Equity & Bond table listing various funds and their performance metrics.

International Growth

International Growth table listing various funds and their performance metrics.

Nth America

Nth America table listing various funds and their performance metrics.

Europe

Europe table listing various funds and their performance metrics.

Japan

Japan table listing various funds and their performance metrics.

Far East inc Japan

Far East inc Japan table listing various funds and their performance metrics.

Far East exc Japan

Far East exc Japan table listing various funds and their performance metrics.

Commodity & Energy

Commodity & Energy table listing various funds and their performance metrics.

Best Peps

Best Peps table listing various funds and their performance metrics.

Money Mkt

Money Mkt table listing various funds and their performance metrics.

Investment Trust Units

Investment Trust Units table listing various funds and their performance metrics.

Fund of Funds

Fund of Funds table listing various funds and their performance metrics.

Financial & Property

Financial & Property table listing various funds and their performance metrics.

Global Emerging Mkts

Global Emerging Mkts table listing various funds and their performance metrics.

INVESTMENT TRUSTS

WINNERS AND LOSERS

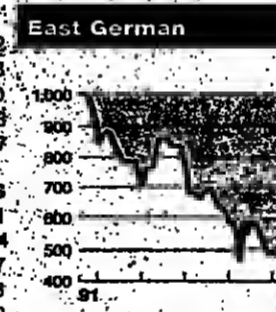
TOP FIVE OVER 1 YEAR
Central European Gth



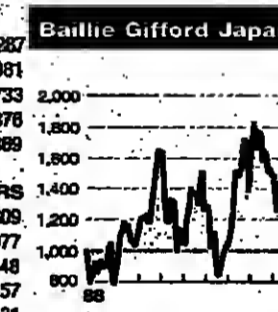
TOP FIVE OVER 3 YEARS
TR Technology



TOP FIVE OVER 5 YEARS
East German



TOP FIVE OVER 10 YEARS
Baillie Gifford Japan



BOTTOM FIVE OVER 1 YEAR

BOTTOM FIVE OVER 3 YEARS

BOTTOM FIVE OVER 5 YEARS

BOTTOM FIVE OVER 10 YEARS

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. For investment trust prices see main paper.

UK General

UK General table listing various funds and their performance metrics.

UK Capital Growth

UK Capital Growth table listing various funds and their performance metrics.

Smaller Companies

Smaller Companies table listing various funds and their performance metrics.

UK Income Growth

UK Income Growth table listing various funds and their performance metrics.

Venture and Devt Cap

Venture and Devt Cap table listing various funds and their performance metrics.

International General

International General table listing various funds and their performance metrics.

Int Cap Gth

Int Cap Gth table listing various funds and their performance metrics.

Int Income Growth

Int Income Growth table listing various funds and their performance metrics.

North America

North America table listing various funds and their performance metrics.

Continental Europe

Continental Europe table listing various funds and their performance metrics.

Pan Europe

Pan Europe table listing various funds and their performance metrics.

Japan

Japan table listing various funds and their performance metrics.

FE inc Japan

FE inc Japan table listing various funds and their performance metrics.

Far East exc Japan, General

Far East exc Japan, General table listing various funds and their performance metrics.

Far East exc Japan, Single Country

Far East exc Japan, Single Country table listing various funds and their performance metrics.

Emerging Markets

Emerging Markets table listing various funds and their performance metrics.

Closed End Funds

Closed End Funds table listing various funds and their performance metrics.

Property

Property table listing various funds and their performance metrics.

High Income

High Income table listing various funds and their performance metrics.

Split - Capital

Split - Capital table listing various funds and their performance metrics.

Split - Inc & Residual Cap Shares

Split - Inc & Residual Cap Shares table listing various funds and their performance metrics.

Split - Income

Split - Income table listing various funds and their performance metrics.

Split - Zero Dividend

Split - Zero Dividend table listing various funds and their performance metrics.

UNIT TRUST LAUNCHES

Table listing new unit trust launches with details on fund name and focus.

Glossary

Peeps: Some, but not all, unit and investment trusts can be put into a general personal equity plan which shields investors against both income and capital gains tax. The Peep rules are that you can put £5,000 into a general Peep (and a further £5,000 into a single company Peep). To qualify for the full £5,000 general Peep allowance, a minimum of 50 per cent of a plan's assets must be held in European Union shares or qualifying corporate bonds. A trust which has more overseas investment, but is still 50 per cent invested in shares, is non-qualifying and limited to a Peep content of £1,500.

Morgan Grenfell

The unit trust performance tables above still show Morgan Grenfell Europa as the best Peep and the second best Europe fund. The figures are based on prices published by Morgan Grenfell Investment Funds. But given this week's revelations about the mismanagement of the fund, it will be removed from the tables next week, until the long term situation is clarified. Buying trusts simply because they are top in the performance tables is never a sound strategy.

Authorised Unit Trusts

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Bank of Ireland Fund Mgrs Ltd, Commercial Unit Trust Mgrs Ltd, and others, with columns for Name, Type, and Price.

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Guide to pricing of Authorised Unit trusts. Compiled with the assistance of AUTIF SS. Includes sections on Initial charges, Selling price, and Forward pricing.

Vertical text on the right edge of the page, including 'The front to' and 'M'.

معلومات التمويل

Weekend FT

The long march from man to myth

Two decades after the death of Mao, Tony Walker looks at how he has 'survived' death and assaults on his reputation

All are past and gone!
For truly great men
Look to this age alone.

Mao Zedong, as poet, reserved for himself the most glorious position in the pantheon of Chinese leaders in his work *Snow*, placing himself above all the emperors, brutal and benign, who had come before him.

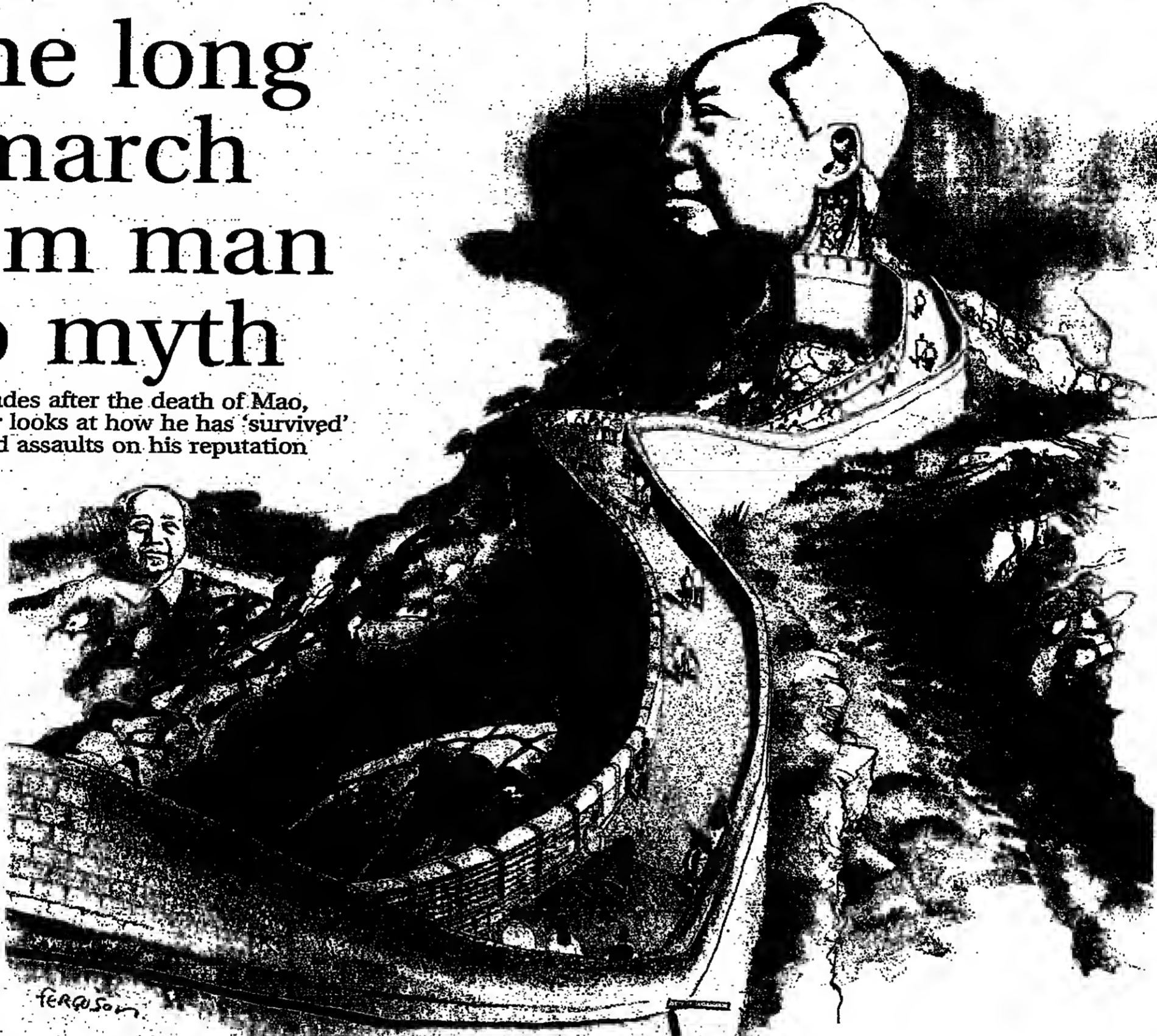
It may be hard to credit given the monumental changes which have taken place, but it is just two decades since an illness-wracked Mao Zedong breathed his last behind the great vermilion-coloured walls of the Chinese leadership compound in central Beijing.

As his personal physician reported in a recently published account, Mao died at 12.00am on September 9 1976, his body ravaged by a "multitude" of diseases. His life-long addiction to cigarettes had destroyed his lungs. He had also succumbed to motor neurone disease which had left him paralysed and disfigured. Long before rigor mortis set in Mao had been reduced to a corpse-like state.

In death, the leader of the Chinese revolution, the "great helmsman" of fevered imagination, was somehow diminished. The "immortal" was rendered mortal, an illusion of invincibility was punctured. And yet, 20 years later Mao has somehow "survived" his death, and become a still-moving myth, an unsolved mystery and a marketing strategy.

Mao's "reincarnation" almost certainly owes as much to his peculiar hold on popular imagination as a larger-than-life figure as it does to a deeply ingrained Chinese belief in an all-powerful leader.

For better or worse Mao, in all his manifestations - revolutionary scholar-poet, Machiavellian plotter, sex-obsessed and ruthless manipulator - was not outside the mainstream of traditional Chinese rulers from imperial times.



In the years since his death, the world and the Chinese in particular, have been treated to an ever-changing picture of Mao, like a kaleidoscope which portrays its subject in different guises and colours. Thus, we have known a "Mao for all seasons", an "EveryMao", in the words of Australian sinologist Geremie Barmé in his recently published *Shades of Mao: The Posthumous Cult of the Great Leader*.

"The story of Mao since his death is layered and complex," says Barmé. "Mao is a brandname and marketing play. He is an element of contemporary Chinese packaging. The party uses its association with Mao to val-

date its nationalist stance. He has been reborn as part of the landscape." All this is a long way from when Mao first arrived in China as correspondent in the late 1930s at a time when the Communist party, wrestled in the shadow of the Cultural Revolution, with its "good-Mao, bad-Mao" dilemma. In the end it came up with a formula to assess the Mao years which was as banal as it was unconvincing. Mao, the party decided, was 70 per cent good and 30 per cent bad, but this barely masked bleaker impulses below the surface.

During the "democracy wall movement" which helped spawn a brief flowering of relatively free expression in 1978-79 known as the

"Beijing spring", Chinese would raise five fingers when reference was made to the so-called Gang of Four, which officially included Mao's widow - the "wicked witch" of contemporary mythology. The gang was convicted in 1981 for allegedly heinous crimes against the Chinese people, but many believed Mao himself should also have been in the dock.

Fifteen years later a reprocessed, re-packaged Mao appears somehow to have escaped history's darker coils, despite folly on an almost unimaginable scale - even by destructive Chinese standards. Jasper Becker in his recently published *Hungry*

Ghosts: China's Secret Famine records that as many as 90m people died in the famine which followed the Great Leap Forward of the late 1950s, when the forced collectivisation of agriculture caused one of the greatest tragedies in human history. Mao himself was largely responsible for what some might regard as mass institutional manslaughter but, so far as is known, he never uttered a word of remorse or self-doubt about the destructive policies he had initiated in the name of the revolution.

Since the authorities do not permit open debate about the past, fearing this would reopen wounds and reflect negatively on the Communist party, it is hard to judge how Mao's reputa-

tion might survive the rigorous academic scrutiny it would receive in the west; but among ordinary Chinese he appears to be regarded with a mixture of fondness, awe and superstition. How else might one explain the fact that thousands of drivers across China hang Mao's portrait from their rear vision mirrors as a guardian god or good luck charm? This practice was inspired by a story, apocryphal or otherwise, describing a traffic accident in southern China in which the driver of the car with the Mao talisman emerged unscathed while the driver of the other vehicle was killed.

Reverence for the memory of Mao, or the "MaoCraze" as it is sometimes described

in Chinese, continues to inspire acts of devotion, even madness, which might not be out of the place among the nihilistic fringe cults of California. Thus, in 1993 on the 100th anniversary of his birth several workers at a factory in Sichuan province, despairing of the capitalist-style management of the modern period,

Continued on Page II

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Joe Rogaly

Blair's White House envy

New ways of treating the voters as fools

President Clinton bombards Iraq, John Major and Tony Blair bark in support. It is election time on both sides of the Atlantic. You may need to kill a few people on network TV to stay president, but how do you get to be prime minister? Neither Mr Major, who has the job, nor Mr Blair, who seeks it, enjoys the luxury of an excuse to fire cruise missiles at a convenient enemy. They are obliged to find other ways of treating the voters as fools.

The prime minister has chosen greed and fear. The Conservatives will cut income tax and try to frighten the electorate by drawing devil-eyes over Labour. Mr Blair is subtly itself. He grants us our greed and urges us not to fear a warm puppy like him. Instead, we are to admire how pro-business, how market-friendly, how unthreatening is his mien.

He walks on his hind legs, tongue hanging out, tail wagging, hoping to please even our fattest cats. To

misquote Dr Johnson, it is done well, but it is remarkable that it is done at all. We shall have to endure this holism for a while yet. The US vote in November, Britain when the government thinks best. Mr Major has until May to make up his mind. Very young children, sitting on their parents' knees, will giggle if you try to convince them that this "democratic process" makes a difference to the price of coffee-people.

In Britain, it has become customary to rehearse the similarities between Mr Clinton and Mr Blair, and almost obligatory to forecast victories for both of them. (On the US British elections are not noticed.) How alike are they? Mr Clinton was a state governor before he ran for US chief executive. Mr Blair has held no office.

The president has been accused of financial corruption and sexual impropriety, no such charge-sheet has been drawn up against the Labour leader. The one may be a dirty dog, the other is self-evidently a capitalist

running dog. Both smile charmingly. Mr Clinton transformed his formerly free-spending, big government, high-tax party into a model of 1990s conservatism. So did Mr Blair. One added the word "New" to "Democrat", the other the same appellation to "Labour".

The pair have mastered the art of peddling abstract promises to a public that suspects all sales patter but often buys anyway. Grim. Turn right. Rename. Sell. These are the four key elements of any manual of how erstwhile champions of the left may succeed in politics in the Anglo-Saxon world.

One possible difference may be important. No thread of enduring principle can be discerned in Mr Clinton's track record. He signed away 60-year-old welfare provisions for the poorest citizens to appease the right - then, to soothe the left, intimated that he will veto any proposal to "impose on Britain other countries' social security systems or co-determination in the

truth. This awful prospect is beginning to disturb those in his party who cling to the touching delusion that 1990s politicians of the so-called left are in business to help the underdog.

Dream on, old-timers. New Labour said again this week

It is one thing to trim to win, quite another to stay trimmed when in power

that it proposes to be fiscally tight-fisted. It will "ensure" low inflation, promote small business, cut the lowest rate of income tax, and eschew "penal" rates at the high end. It will sign the social chapter of the Maastricht treaty, but Mr Blair intimated that he will veto any proposal to "impose on Britain other countries' social security systems or co-determination in the

bedroom". There will be a minimum wage, set "in consultation with business".

In short New Labour offers a conservative programme, as do the 1996 Democrats. This should please the majority, composed of those who are comfortably-off, plus those who aspire to comfort.

Why, then, do some of us squirm? Two decades ago many people, myself included, began to regard the Labour party as a last cause. In thrall to the trade unions, it moved steadily leftwards. We looked forward to its replacement by a party of the centre. The road has been long and tortuous, but New Labour is indeed shouldering aside its previous manifestation.

Its relationship with the unions is at arm's length, as is the Democrats' with their US equivalent. New Labour welcomes private enterprise, promises no nationalisation, occasionally outflanks the Tories from the right. The message of the fall of the command economies has been received and, albeit fit-

fully, understood. The losing politics of the 1980s has been replaced by the potentially winning formula of the present decade. So, again, why the unease?

The answer is plain. If there is no purpose behind Mr Blair's circumlocutions, why vote for him? It is one thing to trim in order to win, quite another to stay trimmed when in power. The Labour leader explains his re-fashioning of his party, and its policies, by pointing out that he cannot do anything for anyone while in opposition. True. The question is, will he do much for anyone if he wins? If he honours his election undertakings he can achieve very little.

"Vote for the party of small incremental changes" is uninspiring, but truthful. The sole reason for voting New Labour is that the Tories need a rest, and space to fight their internal battle. When - if - that is realised, Mr Blair may lose his advantage. How be must envy the ruthless hound in the White House.

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PERSPECTIVES

The Nature of Things The curse of the corn-borer

Clive Cookson on problems posed by the first genetically engineered maize harvest

Out in the US corn belt, farmers are preparing to gather in a historic harvest - the first containing commercial quantities of genetically engineered maize. Four hundred thousand acres of the crop contain a gene, derived from bacteria, that protects it against a devastating pest, the European corn-borer.

Meanwhile in Europe, the same maize variety is at the centre of a regulatory battle. Its creator, the Swiss chemicals group Ciba, is fighting to convince the EU authorities that it poses no environmental or safety risk.

EU regulatory committees have so far refused to approve the Bt maize - so called because it produces an insecticidal toxin from *Bacillus thuringiensis*, a common soil bacterium. Their attitude has taken Ciba by surprise after the smooth ride it received from the US and Canadian authorities.

Surprisingly, the most vocifer-

ous objections have come from the UK - a country not noted previously for its regulatory hostility to biotechnology.

Some environmentalists campaign on principle against any release of genetically engineered organisms, arguing that the technique's safety has not been proved. And they oppose Bt crops on the grounds that they will add to the evolutionary pressure on insects to become resistant to the toxin which is used widely as a bio-insecticide.

But the scientists on the UK Advisory Committee on Novel Foods and Processes are not objecting to the functional Bt

gene that enables plants to kill corn-borer larvae. They are worried by another gene that is transferred to the crop at the same time: a so-called "marker gene" that confers resistance to ampicillin, a common antibiotic.

This gene is present for technical development reasons. An early step in the production of Ciba's maize involves multiplying millions of copies of the Bt gene in bacteria by joining the resistance gene to it, the company's scientists can treat the bacteria with antibiotic to kill off the ones that do not contain the new gene.

Although the bacterial marker

gene is not active in the maize itself, the UK regulators are concerned about what might happen when the raw crop is fed to farm animals. They say there is a risk that the gene could be transferred to the many bacteria that live inside the animals' guts - and exacerbate antibiotic resistance, which is already a serious problem both in veterinary medicine and in human health.

Ciba's scientists reject the idea that there is any significant risk of the resistance gene jumping into gut bacteria. Besides, they say, even if the transfer did occur, more modern antibiotics would be available to treat am-

picillin-resistant infections.

At the same time, the company emphasises the advantages to farmers of a new weapon against a pest that destroys 7-10 per cent of the European maize crop in an average year (and as much as 20 per cent during years of severe infestation in southern parts of the continent). Conventional insecticides are difficult to use against the corn-borer because its larvae are only vulnerable for about two days while they are on the outside of the plant; they then bore into the maize stalks.

But other companies are following Ciba's path in developing Bt maize - and their varieties do

not necessarily include the controversial ampicillin gene. Although all require an antibiotic marker gene for their development, this is not always transferred intact into the maize, as in Ciba's case. For example, Zeneca, its UK competitor, has selected a maize variety in which the ampicillin resistance gene was disrupted during the genetic engineering process. Developers can also choose an antibiotic that is medically less important.

The most interesting case is Sandoz, another Swiss chemical group, which is merging with Ciba to form Novartis, a giant new bio-science conglomerate.

Sandoz's Bt maize, which does not include an ampicillin resistance gene, received marketing approval in the US last month and has been submitted to the European authorities. Despite the impending merger, Ciba and Sandoz are proceeding independently and refusing to discuss each other's products.

Meanwhile, the European Commission is still trying to make up its mind whether to approve Ciba's Bt maize. If it falls to give its approval before imports of the maize reach Europe during the winter, there could be an embarrassing trade dispute. Since the Bt maize is not marked in any way, it will not be distinguishable from the remainder of the US crop. Therefore, the EU would be faced with a choice between banning all US maize and permitting the import of a crop that European farmers are not allowed to grow. Both choices seem politically unacceptable.

Minding Your Own Business

How to put mother to eco-rest

Grania Langdon-Down finds out about do-it-yourself funerals

The coffin was laid in the back of the estate car and family and friends set off for the crematorium. They would have preferred a burial in the garden but Barbara Butler's mother had said she would rather be cremated.

Butler was determined that this was how her mother's funeral should be. She was adamant that she did not want to call on strangers and had spent years planning how to do-it-herself.

When her mother, partly paralysed after a stroke, became very ill in 1992, Butler feared she might die. She began investigating how much of the funeral process she could handle herself, but found no one would help her.

"My mother recovered but I decided I would not be caught out again. I spent a lot of time and energy researching the funeral business - where you could get coffins, what you could do legally."

"When my mother died, in 1994, we did everything ourselves. With the help of some friends, we laid her out at home and I took her to her coffin in the back of my estate car to the crematorium."

Butler, 67, is the former director of the school of social work at University College Cardiff and a Jungian analyst who believes passionately that everything that happens has a reason and a meaning.

The research before her mother's death encouraged and enabled her to set up the Independent Funerals Advisory Service to help people wanting a "do-it-yourself" funeral or help in negotiating with undertakers.

"At that time, coffin manufacturers would not sell you one because they would have lost trade from conventional undertakers. But I finally found someone in Somerset who was prepared to sell me one for my mother," she said.

"I then discovered a variety of 'green' coffin makers, some using biodegradable cardboard. I started supplying them to people who contacted the advisory service."

Her next step was to open the UK's first shop selling coffins, shrouds and body bags over the counter in Williton, Somerset, in the spring of 1995.

"With all the publicity over the shop, people were asking me to help with their own or relative's funeral. But I wasn't an undertaker. I was a psychotherapist and academic," Butler said.

"Then a man called Steve Nutt rang me from Newport in Wales where he had worked as an undertaker. He had become so upset by the high-pressure selling in what had become a very competitive market that he gave up his job."

After much discussion, Butler and Nutt, 42, decided to go into partnership as Green Undertakings in September 1995 and he moved to her home village of Watchet, Somerset, with his wife, Sue, and five children, aged between 13 and 22.

In January, they set up their business in the former doctors' surgery in Watchet, followed by a small office in Taunton, run by Nutt's oldest daughter, Julia, and her boyfriend, Steve Harley, an experienced undertaker. They also have bases in Williton and Bristol.

They offer a complete funeral service, place of rest, storage and care of the body anywhere in south-west England from Gloucester to Dorset and Cornwall.

Nutt said: "We are prepared to travel much further and offer a much broader range of services than many funeral homes and the number of inquiries we are getting is growing incredibly."

"Even if we are not yet taking loads of funerals, we are making people aware that you do not need to spend thousands of pounds to prove you loved the person who died."

They recently launched Martha's Funerals, which uses only female staff, to provide services such as laying out the corpse to a full funeral with women pallbearers and hearse drivers.

"Under old village arrangements, it was always women who did the laying out. This service will reassure many women, whether elderly and alone or active feminist, who would prefer all or part of their funeral needs to be met by other women," Butler said.

In line with her belief that death needs to be de-mystified, Butler also offers made-to-measure, castle-shaped coffins which can be used as coffee tables, window seats, blanket boxes or display cabinets until required.

"We had two ladies from Devoe who came to be measured for their coffins which they intend to use as bookshelves in the meantime," she said.

One of their biggest expenses has been buying a hearse for £750, which needed another £500 spent on it. Keeping their vehicles on the



Green Undertakings: the death of Barbara Butler's mothers spurred her to set up something different in funerals. Alan Ledger

road costs about £500 a month in petrol and expenses. They have also had to buy trolleys, stretchers and embalming equipment.

Other expenses include the rents and business rates on their two properties, which run at about £1,500 a month, and keeping £2,000-£3,000 worth of coffins in stock.

Butler said: "We probably put up £20,000 capital and are turning over £3,000-£4,000 a month. We are doing an average of one or two funerals a week and send out information on our services to about 15 to 20 people a week."

"Quite a few people have asked about pre-payment arrangements

and we are setting up a separate trust for the money."

Butler and Nutt employ six regular members of staff, mostly family who draw what money they can, rather than take salaries. They call on temporary staff as required.

Death remains big business. A survey by the Manchester Unity Friendly Society found that the national average cost of a funeral and burial is about £1,500, with the average cost of cremation being around £1,200, including fees for the doctor, cemetery, minister.

Butler said their average inclusive cost was about £700. Their basic charge was £430 - less than

the Department of Social Security grant of up to £500.

"This is not because we cut down on quality - it is because we charge only for the work we do. We also provide information about all the options that are open to people, such as DIY funerals and woodland burial sites."

Butler is enjoying her third change of career. "The funeral business has proved a natural progression from social work and psychotherapy, where I was always dealing with a lot of unfinished grief. Being directly involved in the reality of death is enormously healing."

Dispatches / James Henderson

Papa and the birdman

As a leading tourist town, Key West has more than its fair share of embarrassing T-shirts. I found them leaping out at me along Duval Street, that thoroughfare of mopeds, trolley-buses and pastel-fronted bars: "It's not a bald spot. It's a solar panel for a sea-machine"; "Save the Bait! - Endangered Species" (a reference to the sales of marijuana that regularly drift on to Florida beaches); and "We don't care how they do it up north!"

But then there was one I liked: "Get a change of Latitude. Come to Key West." Understated - somehow, among the insistent exclamation of the others, the fact that Key West is the most southerly town in the continental US, on the last of the fingernail chain of islands which tapers south and west from the tip of Florida.

It is easy to like Key West. It is particularly popular with writers and artists, who have formed a fringe community away from the cold and the constraints of the north. There is also a strong gay scene, so they all mix rather oddly with the "Conchs", the natives of the Keys (called after the oversized molluscs; their food). The Conchs are traditionally working men - shrimpers and fishermen now, cigar-rollers and wreckers in the past.

Island fortunes tend to go in waves, of course, but for a while shipwrecks made Key West the richest place per head in the whole of the US. Testament to those days remains in some magnificent wooden buildings. Now, riding the crest of the tourism wave, the houses have been restored and have been turned into excellent places to stay and to visit.

The best known writer to live in Key West (there have been seven Pulitzer prize-winners in all) was Ernest Hemingway, who spent 12 years there and wrote over half of his works here. His magnificent Spanish colonial-style house is on view, all french windows and vast wrap-around balcony, and his studio, with fish and big game heads on the wall, books and a cigar-maker's chair, uncomfortable especially to keep him alert.

About the house are portraits of Hemingway the hunter, the fisherman, the skier, the man wounded in

battle. "Hell, he really lived life to the fullest, didn't he," said an admiring voice behind me.

I'm not sure if I would have liked to meet "Papa" Hemingway. I imagine him in one of the bars in town, bullish after 500 words well written (his daily ration) or a martinis kill. There are a few people who sport Hemingway beards around Key West, particularly in Florida when there's a Hemingway lookalike and talent contest.

In the Florida way, his favourite haunts are now Hemingway-theme bars. Sloppy Joe's, and the original Sloppy Joe's (round the corner), leave on a Saturday night with revellers, all looking slightly distressed after too much tropical sun. (Most of the local fishermen have left for bars down by the port area.)

Another American hero to whom a house in Key West is dedicated is John James Audubon, equally a wild man on the fringes of society. Audubon came to Key West in 1832 in search of birds to paint as he completed his massive *Birds of America*, in which the 435 American birds were depicted life-size for the first time.

The Audubon House is a memorial to the man rather than his place of residence, but it is one of the classic Key West houses, built by a master-wrecker in the 1840s. It has the high ceilings and large doors that encourage a breeze, large sloping verandas and is furnished with 19th century antiques. It was also the first to be restored in the recent reconstruction of Key West.

Audubon would go out before dawn and lie in wait for his subjects, observing their habits and then shooting them. He would stuff them and draw them in the garden where the house stands now. There are a number of Audubon originals in the house - a green-shank marching long-leggedly past the battlements of St Augustine, peregrine falcons making a kill and a trio of blue jays stealing eggs.

And there are some that he drew in Key West itself - a pair of Key West doves and, the best known, the roseate spoonbill in a flurry of activity at a waterside. I came away from Key West with a poster of Audubon's birds rather than a T-shirt.

Continued from Page 1

committed suicide in the belief they would join Mao in the netherworld to continue the revolution.

Mao also lives on in earthy street sayings, crude jokes and poetic parodies which are a public part of Beijing discourse.

Anne Thurston, the American sinologist who collaborated with Mao's physician, Li Zhisui, on *The Private Life of Chairman Mao*, believes it is "kind of scary that people could know 30m people died in the Great Leap Forward and still like him". Yet, Mao's reputation, at least in popular imagination, appears to have transcended the disasters for which he was responsible.

In the process certain events have reinforced a superstitious belief in Mao's ability to influence events from beyond the grave, or, in his case, from the mause-

Mao: the march from man to myth

leum in which he lies in state, a shrunken figure in a crystal sarcophagus, on Beijing's Tiananmen Square.

Could it have been that Mao's "evil eye" fell on Li who developed an incurable illness and died soon after his book was published in Chinese? The book includes sections extremely critical of Mao's callousness, his squalid personal habits and his sexual excesses.

Sang Ke, a local Beijing author and Mao aficionado, sees various forces at work from the commercial imperative which employs Mao as a marketing device to the party's need to harness Mao's good, as opposed to bad, legacy for its own ends.

"The party needs Mao as the glue to hold the Chinese nation together," says Sang.

"The party is worried about the loss of two 'knives'. In the Soviet Union they lost both Marxism-Leninism and Stalinism and look what happened."

So China has, for the time being, learned to live with Mao, however monstrous he appears to outsiders, although a full accounting of his bloodstained legacy cannot be ruled out. The process of de-Maoisation begun by Deng Xiaoping in the late 1970s may yet go through a further stage, but as Sang observes, China's history is so full of monsters that it would be difficult to know where to begin a comprehensive historical accounting.

He adds that, in any case, many people do not place Mao among the ranks of monsters. In the long Chinese tradition they expect leaders to be ruthless, willing to shed blood for the cause. "Chinese are very attached to the idea that a leader should be all-powerful otherwise the country will collapse," says Sang.

Mao certainly embodied qualities peculiar to a long line of Chinese autocrats, ruthlessness, cunning and

an apparent indifference to suffering, if it could be demonstrated that the end justified the means.

In Mao's latter years that meant doing virtually whatever was required to preserve his own authority; including waging war against his former comrades-in-arms such as Deng himself who had served Mao loyally for half a century.

Perhaps the most worrisome element of Mao's legacy, however, lies not in the destruction he wrought or the fact that Chinese are somehow able to suspend disbelief about his excesses, but in his nationalistic, anti-western, xenophobic attitudes which resonate among prototypical nationalists, or neo-fascists, of today.

The recently published *China Can Say 'No'*, written by a group of young scholars who believe China should thumb its nose at the west,

owes much to Mao, and in some ways represents a harking back to the past when Mao used China's mass media to rail against "capitalist running dogs" and "paper tigers". Indeed, Mao could be described as the first Chinese leader to say "no" effectively.

While darker forces of nationalism spawned by Mao's legacy may lurk in the background, in the foreground stands the visible pathology of the Mao Cult, from new badges, posters and busts to apolitical products including TV sets and wrist-watches with Mao's features on the face.

In a curious way, Mao's transfiguration mirrors that of another iconic figure described in the following passage by American writer Greil Marcus: "When he died, the event was a kind of explosion that went off silently, in minds and hearts; out of that explosion came many fragments, ed-

ling slowly into the light, taking shape, changing shape again and again as the years went on. No one, I think, could have predicted the ubiquity, the playfulness, the perversity, the terror, and the fun of this, of Elvis Presley's second life."

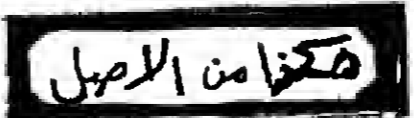
Indeed, Mao as a potent icon of popular culture is but one of the surreal aspects of his transformation in the public mind from political "godfather" to fantasy figure. How or why this has happened is not entirely clear, except it may be easier for Chinese to cope with illusion than reality in a country where people have learned to "eat bitterness".

Nearly two thousand years ago, *Wielding his whip, the Emperor Wu of Wei. Rode eastward to Jieshi - his poem survives. Today the autumn wind still sighs. But the world has changed.*

- Mao Zedong



Mao Zedong: an influence from beyond the grave?



PERSPECTIVES

Lunch with the FT
Lend me your ears, or buttocks

Nigel Spivey eats less than usual when he wines and dines one of Britain's leading plastic surgeons

Nothing wrong with the cuisine at Nico Central, in London's Great Portland Street. But the portions of elbow room are distinctly mean. Until Nico gets more generous with space, there is only one thing for it. Invite a plastic surgeon to join you. It generates the sort of conversation more or less guaranteed to alienate the neighbours. "What I'd do is take a slice off your forearm, so" - and here he lifted the knife from his Scotch sea trout, patriotically chosen, and carved an imaginary cutlet. "Because that's got all the right ingredients. Flesh, veins, arteries, and so on. Then I'd rebuild with that." We had already discounted silicone. Silicone, it seems, is good for ears. It allows them to be bolted on to the side of the head, Frankenstein-fashion. "What about my forearm?" "Och! You're not so fussy about that. We could patch that up with a strip from your buttock. And if you treasure your backside," he added, intercepting the next question, "there's always the one-way loan from the skin bank." "The skin bank?" "We've rules of epidermis. It keeps for months, in a stretchy condition. And you can feed it up, too." "What you're saying is that I'd be walking around with someone else's buttock on the front of my face?" "Well, it would be done in several stages. A good job would have it nicely blended in along the natural facial contours." If you ask Britain's pioneering Professor of Plastic and Reconstructive Surgery to leave his laboratory in University College London for a couple of hours at Nico's, and, immediately, inquire how he might, say, give you a new nose, a straight clinical answer is only to be expected. And Angus McGrouthar, although a softly spoken man, is not the sort to mince words about his vocation. I listened with awe, and a retreating appetite, to the various technical stages of constructing a new hooker. "This seems," as I put it to him, "a form of sculpture. Do you see yourself as a creative artist?" "Not really. I'm obsessed with hands, and their capacity for neat work. Technological perfection is the real drive." But doesn't it feel like playing God, or a demi-urge? He chewed on this one, and smiled wryly. "I'm on the same level as the cleaners and janitors in the health service. There are three levels of executives above me... Divine status is hard to imagine when you've personally got to do 23 stages of paperwork for every operation." He balances practice with teaching and research. His own unit has flourished, especially since the Phoenix appeal after the King's Cross Underground fire, which raised £2m. To support further research, he takes private patients too. How did he feel, I asked, about what one presumed were innumerable vanity commissions? Could facelifts, indeed, be done on the National Health Service in the UK? "I thought you'd ask me that. It's not as simple as it might seem. OK, you've got an actress who complains that her face is ageing, and a carpenter who's smashed up one of his hands. Seems a simple question of priorities. But suppose the actress has made a career on her looks. Suppose she's always appearing at charity events. Suppose what's disfiguring her face is no fault of hers, but a genetic inheritance." "And suppose the carpenter smashed his hand because he punched a window while he was pissed. Who would you respond to first?" "Elastic surgery," McGrouthar continued, "is a genuine area of interface. It's about making an individual feel acceptable in society. That's why, for me, it's just as valuable as spare-parts surgery. Perhaps because it's on the exterior, I find it more challenging than swapping organs around." "It had certainly been a challenge to insert this occasion into his diary. Lunch, perhaps even the concept of a lunchroom, was plainly a treat for him. We enjoyed the cocoon of physiological discourse we had created amid the



Angus McGrouthar: I'm obsessed with hands, and their capacity for neat work. Technological perfection is the real drive

Brendan Carr

braying BBC nabobs around us. I asked what frontiers loomed in research? "There are two I'd identify. Anatomy is one. Anatomical knowledge for its own sake was very sophisticated in the 18th century, but it slipped after that. It's only now that we're capable of operating at the level of millimetric precision that there's been a reawakening of the science. More detailed understanding of smaller areas of the body makes it easier to move blocks of the body around." "The other?" "This will sound strange. We need to find ways of slowing down the healing process."

"You mean you like a wound to have a good long fester?" I said. That sounded good, so I rephrased it, loudly. "You like the sight of a weeping scab?" "Precisely. People have the Darwinian idea that everything about evolution is geared towards progress. But our wound-healing genes are too quick in their action. The speed of healing isn't relevant. Not in an antibiotic world. We need a slower action that'll give better long-term results. We've sacrificed quality for the sake of efficiency." "That sounds like a comment on the health service."

McGrouthar looked around the restaurant. Did any of these men in suits belong to the three tiers of management above him? He leaned forward conspiratorially. "If only there was the efficiency. You know in most London hospitals the windows are so filthy you can hardly see out of them? Whereas you could eat your dinner off the floor in the hospital at Soweto." We gazed down at our plates. His at least was burnished. When banks of skin are glist to your mill, so to speak, it takes more than the thought of seared flesh to ruin dessert.

The unknown tycoon

Raymond Snoddy on media mogul Michael Green

With the remote control of British commercial television in his grasp, Michael Green, the enigmatic chairman of Carlton Communications, could be found in an elegant, white double-fronted Georgian house just off London's Hanover Square. Despite being the headquarters of one of the UK's top 100 companies, there was no big brass plate on the door, only a simple buzzer with the single word "Carlton" in half-inch high letters. The small print was an appropriate symbol of the reclusive style of the television tycoon who does not appear on television, hates having his photograph taken and rarely gives interviews. Even though Carlton is now capitalised at £2bn and is the largest voice in British commercial television, industry executives who only know him by reputation still ask in puzzlement: "Who is Michael Green?" There are many anecdotes, but they tend to be contradictory. When a young investment manager at Norwich Union whom Green respected died suddenly of a heart attack, the Carlton chairman sought out his mother's address to send a letter of condolence. He is equally capable of unleashing a string of obscenities at colleagues who have not met his exacting standards. Yet his powerful personality impresses even those who would prefer to despise him. "Michael has an almost tangible charisma. And I know that there have been times when I thought, 'God I hate this bloke'. And yet when I've been in his presence I have thought, 'I like it, I want him to like me'." one former Carlton executive says. A small incident in February 1991 reveals something of his style and character. Green was pacing up and down Central's Birmingham headquarters waiting to be elected to the board. Discussion dragged on and Green was being increasingly impatient at being excluded. Suddenly, 20 minutes after the meeting began, the door burst open and there was Green. David Justan, the startled chairman, explained patiently that they were not quite ready for his appearance. As the other board members shuffled papers in embarrassment, Green said: "Well I hope you won't keep me waiting long." Justan said he would let Green know. Within minutes, Green was playing a full part in board discussions, giving the impression that he had always been there. "He is a very unusual businessman who does not conform to the rules guiding other people," said an executive present at the Birmingham meeting. "His modes of operation is to destabilise and unsettle ordered situations and he pays no attention to normal protocol or even politeness. He is the John McEnroe of business - disruptive, arguing with the umpire, trying to get the rules changed."

Carlton has now finally outgrown its St George Street headquarters and is on the move to Knightsbridge. But for nearly a decade, the Georgian house has been both the headquarters and the spiritual home of Michael Green and Carlton. From a third-floor office, smaller than an average drawing room, Green has plotted deals worth more than £2bn. On his desk is his most formidable business weapon - the telephone - which he uses to spread charm and ambush staff. Above all, he exchanges information on the rapidly-changing media business with friends ranging



from Sir Christopher Bland, the BBC chairman, and Michael Grade, chief executive of Channel 4, to the Satchi brothers, Charles and Maurice. An inquiry about newspapers? Green can call his friend Conrad Black, owner of The Daily Telegraph group. For Green, information is not just power, it is money. The contacts, the nose for a deal and the mixture of charm and ruthlessness have taken the Carlton chairman a long way from the £2,000 overdraft facility guaranteed by his parents to launch a small stationery business. It has been a 30-year journey to the creation of a £2bn corporation and personal wealth of more than £100m. His reach extends throughout British commercial television, and his importance lies less in his considerable wealth than in his influence over what is seen on the screen. Carlton owns the two largest ITV companies, Carlton Television in London and Central Independent Television in the Midlands. Then there are significant stakes in Independent Television News, Meridian, the south of England broadcaster, and GMTV, the commercial breakfast

station. His appetite for acquiring television companies and launching channels is undiminished. Green is expected to take advantage of the further deregulation of the 1996 Broadcasting Act in the UK to add to his television empire. The targets are likely to be ITV in Wales and the west of England and West Country, which broadcasts to the south-west. An understanding of his growing influence is incomplete without an appreciation of how Green repeatedly reinvented himself and his company. He has gone from stationary to direct mail, from direct mail to printing and then to manufacturing equipment for the backroom of the television industry, before finally making it as a broadcaster. But it could all have come to an end in 1990 and in a more dramatic way than has been publicly revealed. The Carlton share price had collapsed from 800p to just over 300p in nine months. Sir Peter Michael, ousted unceremoniously by Green as joint chairman of Carlton after Carlton's takeover of Sir Peter's UEI high-technology group, decided it was time for revenge. Sir Peter, then running Cray Electronics, went privately to Carlton's main institutional shareholders to try to take over Carlton and remove Green. "We said we think it's time to change the board, the chief executive [Green] and it [Carlton] should become part of Cray. We got a lot of people on side for that," he said. On November 1 1990, Green and other executives were summoned to Glasgow for a showdown with investment managers from four Scottish financial institutions which had significant stakes in Carlton. They gave Green a rough time but, in the end, decided to support him. "Michael Green was given quite a shock from the share-price performance, from shareholders complaining openly, the pressure of a possible takeover by Sir Peter Michael and then being confronted by us. I think it was a maturing experience for him. But I would give him good marks for listening," says John Thomson, of Standard Life, who went to Glasgow. Michael Green survived, but he may have to reinvent himself again. There have been no big deals since November 1993 - the longest silence in the company's history - but an associate says it would be foolish to presume that Green has lost his touch: "We've been here before with Michael. He keeps those inner thoughts private. And I'm sure there were occasions in the past 12 or 14 years when we've thought: 'What's he going to do now.' And suddenly he comes up with the rabbit." Raymond Snoddy, media correspondent of the Financial Times, is the author of Greenfinger, The Rise of Michael Green and Carlton Communications, to be published on September 9 by Faber and Faber, £17.50, 306 pages.

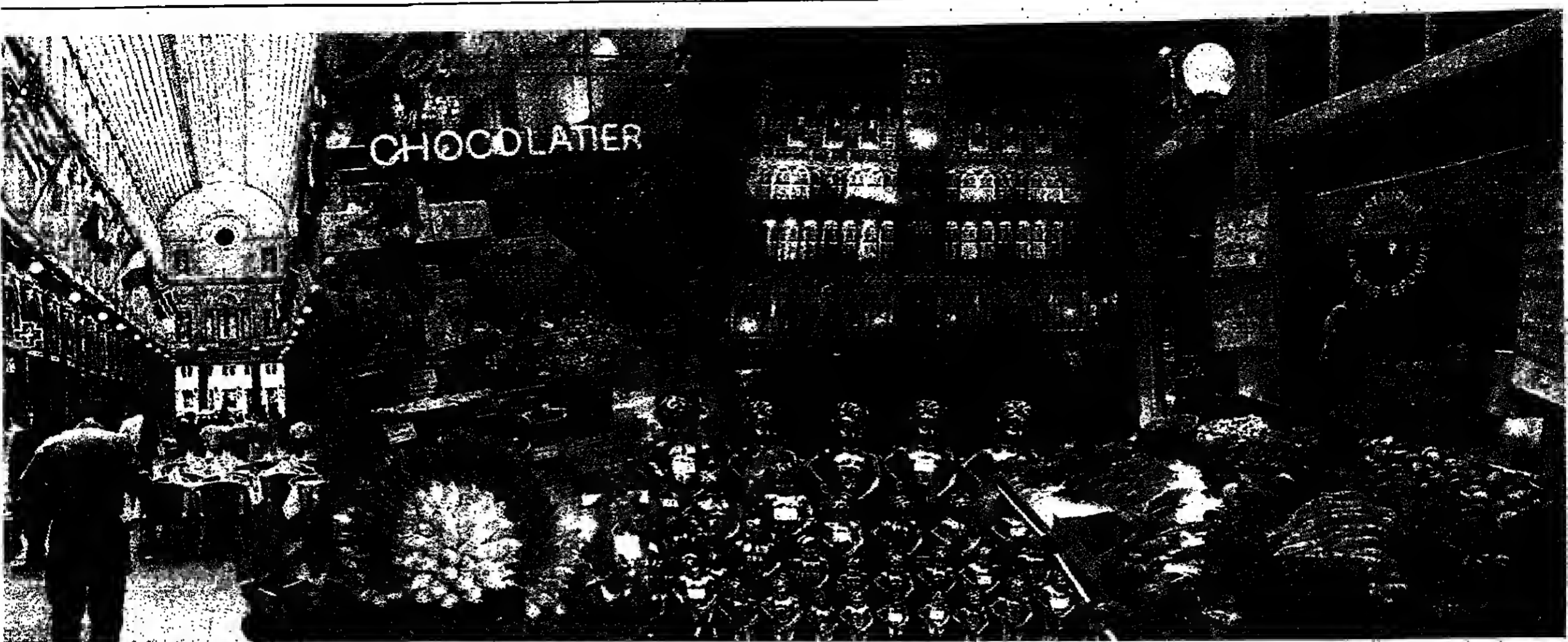
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HOW TO SPEND IT



The Galeries Saint-Hubert tempt the shopper with top-quality chocolates and food; for the tourist, Brussels offers the Grand'Place, souvenir Manneken-Pis statues and a restaurant's spectacular show of seafood

Ray Roberts, Tony Andrews and Universal Pictorial Press

Brussels watches the world go by

Miranda Eadie finds that Europe's capital offers a delightful diversity of vibrant cafés, superior shops and markets full of bric-à-brac

A weekend wandering around the shops in the back streets and alleys of Brussels is all you need to cast aside the dull image that this European capital projects.

Brussels is brimming with character and has a diversity of districts and shops to inspire the most hardened traveller and professional shopper, from the chic of the affluent Haute Ville, where the spacious boulevards are lined with names like Gucci and Chanel to the scruffiness of the Bas Ville, where the narrow, cobbled streets are studied with second-hand shops and bric-à-brac spills on to the pavements.

Brussels is small - its centre covers a smaller surface area than its airport - so it can all be visited on foot. It also has a vibrant café scene, which means that despite tired feet is never further than a street corner away. An ideal base is the old world charm of the Hotel Amigo (1-3 rue de l'Amigo), which is smack in the centre of town next to the cafés and restaurants of the Grand'Place. Rooms 531 and 335 are my favourites.

If you cannot afford the £150-plus a room, at least have a drink and soak up the elegance of its 18th cen-

tury tapestries and the luxury of its spacious rooms and polished flagstone floors. From the Hotel Amigo even the furthest area you are likely to visit is no more than a 30-minute walk away.

Brussels is a comprehensible city; stores of a similar nature are grouped together along a particular street or around a couple of adjoining squares. Dotted between the shops and boutiques are museums, restaurants and art *mazas* (Belgium's much-loved comic heroes painted on any visible expanse of wall).

For antiques and cafés from which to watch the world go by, head to the Place du Grand-Sablon and Place du Petit-Sablon, the favourite haunts of Brussels society. High quality antique shops are found all around the *places* as well as in the winding streets which lead up to them. There is an abundance of art deco furniture on sale and Galerie Dewindt (77-79 rue Lebeau) has some particularly beautiful pieces. There are also a few women's boutiques in the pretty pedestrian street, the rue de Rollebeek.

Le Pain Quotidien (11 rue des Sablons) is a great place for breakfast or a light in-

expensive lunch. Everyone sits around one large table eating open sandwiches. Those made with *fromage blanc* and slices of radish and spring onion are particularly popular.

For the best pâtisseries in town, Wittamer (12 Place du Grand-Sablon) is the place to go. You can enjoy the ultimate chocolate drink made from the melted-down leftovers of the exquisite chocolate they make and sell. There is a tea room upstairs.

The Place du Grand-Sablon is fun to visit on Saturdays or Sunday mornings when the superior antique market is in full swing. You have a greater chance of finding a bargain here than in the surrounding shops. I have bought a turn-of-the-century, mirrored jewellery case here for £5 and seen an impeccable bevelled-edged 1930s mirror go for as little as £165.

A short walk up the hill is the Modern Art Museum (1-2 Place Royale), an unusual design built around a central light well. You go downstairs (not up) to visit the paintings, which are arranged in chronological order (Fauvism, Cubism, Surrealism) from level -4 to -8. There are lots of Magrittes.

For chic boutiques, go to the Boulevard de Waterloo and the nearby Galerie Louise and Avenue Louise in the Haute Ville. Boulevard de Waterloo is the Bond Street or Avenue Montaigne of Brussels and all the big international names such as Hermès, Chanel and Ralph Lauren are there.

Two of my favourites are An Bonheur des Dames at 13A, which has an original line in designer cashmeres, and Franck Namani at no 55, which has perfectly tailored men's slim-line suits in the finest of fabrics, including the lightest cashmere.

The Flemish designer shops on rue Antoine Dansaert are where younger fashionable people shop. Onix (59 rue du Marché aux Poulets), is only a few blocks away and another favourite.



The real thing: lace for sale in the Grand'Place

Universal Pictorial Press

Anything for the home and more can be found in the Marolles, the Brussels equivalent of London's East End. This old artisan quarter has its own dialect and two main shopping streets, rue Haute and rue Blaes, which are full of quirky shops. Antik Blaes (51-53 rue Blaes) is selling the canopy of a merry-go-round; Meganck (123 rue Haute) has some beautiful art nouveau stained glass windows; L'Impasse (127 rue Haute) glitters with chandeliers; and Baden Baden (78-84 rue Haute) is filled with old-fashioned bathroom units. It is selling a turn-of-the-century therapeutic shower (there are water sprouts and shower nozzles at all levels) for about £5,000.

These parallel streets, linked by tiny unevenly cobbled lanes (best negotiated in sensible shoes), lead you towards the Place du Jeu de Bal where a flea market takes place daily from 7am until 2pm. Time to rummage for bargains is well spent here. If you get peckish, Bemuchet (188 Rue Haute), whose walls are encrusted with objects found in the

market, is an unusual place to eat. Another fun street to wander down, containing some 1950s and 1960s antique shops, is rue du Bailli, which runs perpendicular to Avenue Louise. There are a few tempting pâtisseries shops, an old sweet shop, some cafés, a little square and a few boutiques for the young, including Idiz Bogam, which is stuffed with second-hand clothes from the 1950s, 1960s and 1970s.

There is a good selection of art deco (yes, it's everywhere) lamps at the nearby Arts Deco (12 rue du Tassel) which are on sale at £110 to £180. Not cheap but in impeccable condition. A few streets away is Gal-

erie Belenger (188 Ch. de Charleroi), a haven of 20th century (but mainly 1950s to 1970s) furniture and designs, including the classic Brionvega fold-up portable radio for £185 and Ettore Sottsass' first all-plastic Olivetti type-writer for £75. The Horta Museum (26 rue Américaine) is just around the corner. It was the home of one of the most famous architects of art nouveau, Victor Horta, and is a visual feast for admirers of what is sometimes pejoratively called *style nouille* (noodle style) or even *patzig stijl* (eel style).

Presents and Belgian lace, chocolates and biscuits are best bought in the streets surrounding the Grand'Place. It's also a good opportunity to stroll down the Galeries Saint-Hubert,

Europe's first shopping mall built in 1947, which is like a giant Burlington Arcade. Inside you will find Neuhäus, a beautiful shop selling the best Belgian chocolates (the praline triangles are irresistible).

Dandey (31 rue au Beurre) is biscuit heaven and is always piled high with gingerbread men.

Lace makes a traditional present and shops selling it are everywhere. Its price varies depending on its origin and the amount of work involved in its making - la *Dentelle Princesse* being the ultimate. Linen lace is finer and has more complex designs than cotton lace.

Care must be taken to buy lace which is hand-made at home by Belgian lacemakers - and not cheaper imitations from the Far East. To avoid any disappointment go to the Lace Gallery (30 rue du Lombard), where only genuine Belgian lace is sold.

If you are looking for a child's present then the diaries, T-shirts, watches and videos on sale in La Boutique de Tintin (13 rue de la Colline) could provide the answer.

For an escape from the city, hop on a number 93 or 94 tram (you can pick this up on rue des Petits Carmes at the top of Place du Petit-Sablon or on Avenue Louise) and head out to the most attractive Forest of Soignes. When it comes to eating out, Bonsor Clara (22 rue Antoine Dansaert), a new restaurant decorated with

patchwork velvet wall hangings and moody lights, is the latest haunt of the trendy.

More traditional and more affluent diners prefer the elegant surroundings of La Maison du Cygare (9 Grand'Place), one of Brussels' finest restaurants. Tourists love the rue des Bouchers, which is packed with restaurants and colourful food displays, but you will find few locals there. They prefer to eat their steak with chips or *steemp* (a delicious mixture of potato and vegetable purée) in the vaulted surrounds of t'Kelderke (15 Grand'Place).

There is also a multitude of bars which are buzzing with life until the early hours. I like the intimacy of the candlelight in the modern Café Wa (20 rue des Riches Claires) but Toone, which is in an old puppet theatre just off rue des Bouchers, has an irresistible, timeless charm and a unique atmosphere. This is one of the few places where you can still drink "Kwak" beer from traditional round-bottomed glasses.

There is, of course, more to Brussels than shops. Brussels is one of six covered in Derek Blyth's *Flemish Cities Explored* (Polis Athens, £9.95) - the perfect guide to the "other" Brussels. Based on the same format as J.G. Linck's *Venice for Pleasure*, it takes the reader on a witty, cultivated stroll through the city. It also covers Bruges, Ghent, Antwerp, Mechelen and Leuven.

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FASHION



Tunics are tops for the Nineties

Karen Wheeler spots the latest pivotal fashion that should see us well into the millennium

Just as the stretchy Lycra body-suit, invented by Donna Karan, was hailed as a key wardrobe item in the 1980s, so experts are proclaiming the tunic top to be the pivotal fashion piece of the 1990s.

The tunic will become increasingly popular as tailoring softens up, says international trend watcher Li Edelkoort, whose advice is seldom ignored in fashion circles. It is a sentiment shared by designer Jasper Conran who has based a collection on the concept of tunic dressing.

It is such a simple garment - just like a big T-shirt really and very comfortable to wear. The only difference is that you can make it in any cloth, from wool to velvet and thereby elevate its status," says Conran.

On a practical level the long, tubular shape of the tunic has much to commend it. By floating over the hips and thighs, it flatters most figures and, unlike the body-suit with its impractical fastenings and restrictive fit, it is comfortable, easy-to-wear and uncomplicated.

It also suddenly has a very modern image, thanks to the efforts of two prominent designers. By reworking the tunic in black lace, with a tantalising clasp at the collarbone, Tom Ford at Gucci created something so desirable that high-profile women were forced to join a waiting list for the "must-have" item of the summer.

At the same time, Calvin Klein incorporated the tunic into a tangerine jersey trouser suit. Worn with a low-slung belt over "bootleg" flared trousers, this triggered one of autumn's most pronounced trends.

Admittedly, tangerine isn't everybody's taste, and few could carry off Gucci's wisp of tunic with aplomb. However, these two very different takes on the tunic have fired the collective imagination of the fashion world.

The result is that this autumn, no collection - be it high street or designer label - is complete without a tunic. Several designers including Nicole Farhi, Ben de Lisi and Jasper Conran (significantly, all renowned for making wearable clothing) are longstanding fans and have featured tunic shapes in their collections for several seasons.

Similarly, many women will already be familiar with the luxurious devore velvet tunics made by the English Eccentrics label. These have proved such a hit for evening that they have spawned hundreds of high street copies.

This autumn, the tunic has adopted many different personas. Available in a variety of lengths, fabrics and necklines, it seems there are few occasions where it cannot be worn. In velvet or sequins and combined with a bias-cut skirt or velvet trousers, it can look stunning for evening (some of the best styles feature daring v-neck décolleté). In wool, matt jersey crepe or stretchy high-tech fabrics, it can look smart for day - particularly if worn as part of a trouser suit.

"The tunic has masses of potential," says Ben de Lisi. "It is utterly ageless - it can look young and funky or more mature. It is much more comfortable than a jacket - tailoring is so constricting and makes you less mobile."

De Lisi cuts his tunics slim at the shoulder and fuller in the body, so that they gracefully glide over

the areas that most women want to disguise.

To achieve the most flattering effect, choose a style which does not hit the thigh at its widest part. The only other rule is that it is generally not a good idea to team a loosely cut top with something baggy on the bottom. Slim trousers or narrow, bias-cut skirts work best, creating a long, lean look.

It is utterly ageless - it can look young and funky or more mature

Given the versatility of the tunic, it is a wonder it has not achieved classic status before. Originally a short dress worn by the Greeks and Romans, the tunic was first appropriated by the fashion world in the early 20th century when Pofret and other designers featured it in soft, fluid fabrics over long skirts as part of the elongated, slender silhouettes of the pre-war era. It became fashionable again in the 1960s, when short tunic dresses were worn belted or unbelted over pants.

It is this clean, sculptural 1960s look that constitutes the most fashionable take on the tunic shape this autumn. The tunic and trouser combination was the surprise bestseller at MaxMara during the summer and Sportmax features many shapes for autumn.

High street stores have also followed. Jigsaw has a flowing version in sleeveless brown ottoman with deep side splits and fluid trousers. For younger women, Oasis has a more body-conscious version in stretchy black wool - complete with a low-slung 1960s buckle belt.

Unfortunately, many of the most fashionable tunics are sleeveless - a dilemma at the best of times but doubly impractical in winter. The solution is to wear a close-fitting polo neck underneath, which is in keeping with the 1960s mood. Other styles such as Sportmax's navy sateen wool tunic work best for evening. English Eccentrics' chiffon glitter tunic (£251) or Carruti's black sequined version also offer night-time glamour.

Karen Millen has an interesting take on the infamous Gucci tunic, in lace-effect black crochet (£259.95). It features fluted sleeves, key-hole top and a fit and flare shape. It has little hanger appeal but looks very flattering

with stretchy black trousers. Jasper Conran's J collection, which is proving a great success at Debenhams, includes striking Op-Art print and dip-dyed tunics - all with a flattering, roomy cut. He has also created a longer silk tunic in a snowflake print (£280), available from the Kingshill Designer Collection catalogue.

Those who like their clothes understated might prefer a plain monochrome tunic in matt jersey crepe by Ben de Lisi or Betty Jackson. Knitted tunic sweaters are also a useful addition to a winter wardrobe. Joseph and Vityella both have good versions, while Betty Jackson's oversized tunic sweater in navy cashmere (£290) is unashamedly luxurious.

The really daring could team this with woolly tights and suede knee boots and wear it as a dress. For some the cover-up qualities of the tunic might still hold frumpy connotations. But a glance at the accessories designed to go with it will dispel any such notions.

With a 1960s-style belt slung low on the hips or a sculptural Robert Lee Morris-style pendant around the neck, and a pair of high, chunky-heeled boots or shoes, the tunic really is the ultimate in no-fuss modern dressing.

- From left, clockwise: midnight satinised wool tunic dress, £145, and matching trousers, £110, from Whistles. (Stockists: 0171-224 1436.) This long dress style version of the tunic works well belted over trousers but can also be worn on its own with knee-boots by the more daring. Printed velvet tunic, £250, and black velvet bias-cut skirt, £280, by Ben de Lisi, from Fenwick, New Bond Street, London W1. (Stockists: 0171-734 0089.) Perfect for evening, this style features an elegant boat neck and fluted sleeves. Chocolate brown lace tunic, £242, and matt viscose jersey trousers, £185, by Betty Jackson, 311 Brompton Road, London SW3 (tel: 0171-589 7884). A glamorous interpretation of the tunic, in this season's most fashionable colour and fabric. Can be worn belted or unbelted, but the lace fabric requires a camisole top to be worn underneath. Bias-cut tunic in devore velvet, £375, and chocolate brown velvet trousers, £203, by English Eccentrics from Harrods, Knightsbridge, London SW1. (Stockists: 0171-224 2525.) Blue/black dip-dye silk tunic, £90, and silk palazzo pants, £90, from the J. Jasper Conran collection at Debenhams, 334-348 Oxford St, W1. (Stockists: 0171-408 4444.) This style features side slits and a flattering roomy cut.

Illustrations by David Downton



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TRAVEL



A long and fun celebration of death

Nicholas Woodworth begins a three-page special on south-east Asia with a visit to Torajaland, a mountainous Indonesian island. There, he goes to a funeral where buffalo are slaughtered as part of a complex and ancient ritual to enable the dead to get safely to heaven...

I am not much good with death. It tends to take the fun out of things and bring them to a halt. I am scared of it. So, like most people, I avoid it. And, like most people, I am astonished to find parts of the world where other people do simply fail to avoid death; they actually celebrate it, make of it a big part of life. I suppose that is why we go to places like Torajaland.

Why else, I asked myself, would I be wandering in a half lit cave on a mountainous Indonesian island, tripping over skulls and surrounded by the accoutrements of a sophisticated death cult?

There was, oddly, no horror here, no sense of morbid voyeurism. Tampangallo is just one of hundreds of prominent sites scattered about Torajaland where the dead are placed under rocky overhangs, hung in their coffins from ropes on high cliffs, or buried in niches hewn from rock faces. Spend a few days in the eroded limestone hills of the highlands of Sulawesi and old bones become old hat, banal - and, no matter what the ethnologists say, one skull looks much like another.

Wild, stone angularity of the surrounding mountains, the earth here seemed hand-moulded to man's purpose. Rice, coffee, bananas, coconuts, strands of tropical pine and giant bamboo - all grow here in ordered profusion. It is not farming, however, but their remarkable rituals of death for which the Torajans have become famous. While Dutch colonial missionaries managed to wipe out Torajan head-hunting, slavery and other politically incorrect tendencies, they never succeeded in suppressing sacrifice. Animists turned nominally Christian in a Moslem country, it is the Torajans' bloody sacrifice of great numbers of buffalo that today attracts ever greater numbers of foreign tourists.

The younger generation of Torajans, for whom the muck of the paddy fields is less attractive than it was for their fathers, have not been slow to cash in on the boom in necro-tourism. Tiny Rantepao, the capital of Torajaland, is steadily expanding its number of hotels and lobby-lounging freelance guides. While their coté d'élégance in Bali, two hours' flight to the south, are

invigilating tourists with celestial music and temple dances, the young men of Rantepao are inviting their own visitors to funerals and blood-letting. And they go, enthusiastically, for in Torajaland death rituals are lively events. Hundreds of Torajans were streaming into the little hillside hamlet of Lailukira when I arrived there with Marthen Kala, who has left university for a more promising future as a buffalo sacrifice guide.

This was quite a small sacrifice, he explained apologetically as we made our way to the stilt-raised, grass-roofed house of the bereaved family - the woman who was being buried had not been wealthy or socially prominent. When Nepitunget, a powerful local aristocrat, had died not so long ago more than 200 buf-

falo had been sacrificed. Today only seven were going to be killed. I was quite happy with seven dead buffalo, I told him. It seemed like quite a lot of death, to say nothing of quite a lot of meat. But no, Marthen told me. If buffalo are not sacrificed, the deceased will not get to heaven and will cause the living no end of trouble. The more buffalo that are sacrificed, the greater the ability of the departed to intervene with the gods on behalf of those left behind. Small wonder, then, that families will bankrupt themselves for the funeral ceremony. Given the crowds, the holiday atmosphere, the gaily decorated death tower on which the formaldehyde-preserved body of the dead woman reposed - it takes months to raise the buffalo purchase money - the sacrifice was almost anti-climactic. The guests sat, cross-legged on low bamboo platforms, gazing into a hollow square. What began with a single, swift stroke of a long Toraja sword ended with bloodied men hacking away with axes at a great pile of dark, glazed-eyed buffalo.

Families bankrupt themselves for funerals. Raising cash takes months

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I felt queasy, but did not want to show it in front of the German doctor standing cheerfully beside me - he said it was no worse than a Saturday night in the hospital emergency department where he worked. The Torajan guests treated it even more casually - sitting in a heavy reek of blood in front of mountains of red flesh and dung, they regarded the carnage with calm equanimity. Children played. Old friends caught up on news. Bare-footed women squeaked across the muddy, blood-puddled ground carrying plates of biscuit as if at a morning tea social. The spirit of the dead woman, Marthen said, was finally released and on its way. Here on earth things had just begun. Three more days of speech-making, drinking, dancing, feasting and buffalo sacrificing remained. If this was a bloodier way of bowing out than the western one, I thought, it was also less fearful and more sociable. I hoped that by the time it was all over there would be one more soul safely ensouled in Toraja heaven.

Maldives

Small, beautiful - and lots to do

Jack Barker finds there are ample diversions on an atoll in the Indian Ocean

It became my standard question to everyone who had visited the Maldives. Many had stayed on islands scarcely the size of a tennis court, sometimes so small their rooms were strung out on stilts over shallow bits of the Indian Ocean. But asked if they had walked around their island, the answer was invariably "no". I was certainly going to walk around mine. True, it was one of the largest - 1.4km long and 400 metres wide - but it seemed ridiculously easy. After all, I had a week. As the helicopter thumped down towards Kuntumadhoo Island I craned my neck out of the open door and checked the route. Yes, thick forest in the middle but an unbroken ring of sand around the edge. I would be able to walk around that. Not immediately though. I showed my bag on the wooden carriage towed by a Land Rover and watched as we proceeded to the end of the island where the built bits were. In the heat it seemed a long way. Swimming around the island seemed more sensible. After checking into my villa I put on fins and mask and paddled out into the shallows - to be immediately distracted by the fish. Most of the development in the Maldives has happened on the two atolls nearest to the international airport, whereas I was at the only resort on Ba Atoll, 105km to the north and cut off by a deep trench of ocean. The previous management had tried to persuade packaged pleasure seekers that a three-hour transfer by speed-boat was "exhilarating", failed, and closed. The present owners spent three years growing trees and redesigning the facilities, to open last year with 55-minute helicopter transfers. In the water, the edge of the reef dropped away into a rich blue: turtles flopped lazily around schools of fish; rays broke free in the coral. By the time I had remembered my original idea to



Tropical paradise: most development in the Maldives has happened near the airport

swim around the island I had been in the water for hours. Flippers in hand I walked back to my villa along a shady, palm-strewn path. My first impression had been correct: it was a long way. It took me longer than usual to wash after all this. The Maldives seem to be a world centre for bathroom design. One resort, with villas on stilts, had glass-bottomed bathrooms so guests could bathe among the fish. However, the better-looking guests had found themselves bathing with shoals of snorkellers and the idea had been abandoned. At the Soneva Fushi, a Swedish designer had come

up with a more conventional bathroom, but made it the largest room in the villa and easy to spend time in. Although shaded for privacy by a garden wall, one side was open to the elements, and it also housed the CD player, the programmable room safe, and the mini-bar. Ceramic floor-tiles, gushing water, and the cooling breeze of the open air meant no bathroom since has seemed so welcoming. The following day I thought I would walk around the island after breakfast, but fell into conversation with the chef. I joined him as he walked along the pootoon and cast a critical eye on the day's fish.

There is no net-fishing allowed in the Maldives and the waters are teeming: 80 kilos of prime fish cost just \$15. I found lunch was the sort that needs a recovery period. The Maldivians have a firm attitude to tourism and its potential effect on the local culture: they do not like it and keep it at arm's length. Foreigners are only allowed to stay overnight on resort islands, and even Sri Lankan workers need permits to stay with the locals. As the Soneva Fushi is the only resort on Ba Atoll it seemed an opportunity to visit a local fishing island not yet irritated by camera-toting tourists. And judging

by the reactions of locals I might have been the first. As I strolled around the wide straight avenues of the fishing village, children ran away laughing or hid behind coral fragments glued into walls with cement. I was soon called to where a crowd surrounded a 50ft chort, preparing to launch it from the flat peak of the beach and down a row of logs into the water. The tallest locals seemed to be about half my size and were dwarfed by the gleaming wood beams of the recalled boat. It seemed reasonable to assume they could do with a hand so I reached up for the side of the boat and looked keen. At a shouted signal each side pushed, rocking the boat to free it from the logs under its keel, ready for the long slide to the water. The locals set up a chair but the boat did not move. Everyone stopped and stared at me accusingly. I was given the impression the failure was my fault: I should have been chanting like everyone else. The man to my left taught me the two-word refrain. I also understood that I should not have been trying to rock the boat and push it down the slipway: I was just a rocker, helping to break the boat's friction on its log rollers. Others at the bow were in charge of pushing. Once all this had been made clear we resumed rocking this time with my voice adding to the chant: the boat freed itself and slid down to the water, gaining speed and splashing out into the ocean. It was, by all accounts, the highlight of the island day and a crowd assembled ready for the 12-hour chug to the capital. Arguably, I was lucky to get out of the Maldives without a wife. Certainly, it is true that none of the tiny Maldivian women showed the slightest interest, but

marriage is one of the many ways in which the Islamic republic of the Maldives confounds stereotypes. Seething under the calm atmosphere of a paradise is the highest divorce rate in the world: the dowry rate has dropped to about 10 cents, it is common for men to get through 30 wives, and weddings are no longer marked by big parties. There were no big parties for me either: the Soneva Fushi is too laid-back and desert islandy for that. The days passed leisurely: snorkelling, diving, a shopping

trip to the atoll's capital island (for shopping at the one shop; it was shut), some handline fishing, some serious meals of fish, massages and the occasional picnic on one of the atoll's many deserted islands. It was not until the helicopter pulled me out at the end of the week that I realised what I had forgotten: I had never walked around the island. Jack Barker flew to the Maldives with Emirates Airlines, who fly to Male via their Dubai hub: reservations 0171-808 0883. Independent

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TRAVEL

Lombok has only recently acquired its first taxis. "Can you imagine, 1,300 rupees just to open the door?" said our astonished guide. That comes to about 35p. More common are lurid yellow minibuses in which you can share a ride for a modest Rp250. Most common of all, though, are horse-drawn carriages. The Lombok islanders are not rich, though perhaps tourism will one day make them so.

Until then, Lombok is clear about its appeal to visitors: it is Not Bali. Bali is the most island in the Indonesian chain, 40 or so miles across the water, and full of tourists. Not Lombok. Lombok, brochures insist, is Bali the way it used to be.

There is something in this. Lombok does have an international airport, but it takes only little Fokkers from Singapore. To get there from anywhere else, you go via Bali. You can fly, or spend six hours on one of the rust-bucket ferries that still ply these waters, or - more comfortably - take the big catamarans, which skim across in two hours and forbid passengers to carry durians, the smelly tropical fruit.

And, sure enough, you cross the Wallace Line and find yourself in another world. Alfred Wallace, the 19th century naturalist, found the fauna of Lombok dramatically different from Bali's, and concluded that the deep strait between them marked the invisible line where Asia almost meets Australia: tigers and elephants to the left, marsupials to the right.

Lombok has a few hotels. We stayed at the Senggrigi Beach, on a spit of land: the beach on one side was white, that on the other grey. Both were empty; guests seemed to prefer the swimming pool. Lombok is a long way to go for a swimming pool; but when the airport is extended in 2004 there will be more tourists, more hotels and more pools, and the island will look like Bali.

Away from the hotels, Lombok is quiet and rural. Rice is the main crop; cotton and tobacco grow too but the weather can be dry and harvests poor. Some farmers still plough their fields with bullocks, but the better-off hire mechanical ones to steer around the palm trees.



Weeding rice paddies on Lombok's north-west coast

Michael Yamashita, Corbis

Lombok

A friendly place but a strange land

John Westbrooke visits the island which styles itself as Definitely Not Bali

Most of the islanders are Moslems - Indonesia is the biggest Islamic country in the world - but without the fervour you might encounter in Arab lands. The streets on Friday are filled with women in white headscarves and men wearing a sort of fez, all on their way to silver-domed mosques. On other days, though, the religious clothing is less in evidence, and nobody much wears a veil. Men can take four wives if they want; marriages are most common at harvest time, when people feel rich, and divorces at planting time.

We jostled our way through the main market, testing rusty bargaining skills. The recommended technique is to start by offering a third of the asking price but, lacking the nerve, we tried half instead. This brought howls of laughter from not only the seller but all the stall-owners within earshot, which was deflating. But when we walked away we were called back, and our money genially accepted.

They spoke scant English and seemed as little used to us as we were to them. A few of the things they sold might be considered souvenirs - carvings, weavings - but most were household goods and foodstuffs, surplus rice from the paddy fields, unfamiliar fruits, and beans. Lombok is a friendly place but a strange land.

And so to terrible, touristy Bali - which proved to be not so bad after all. Bigger, greener, lushier than Lombok; more tourists, more hotels, and yet accommodated many visitors stay put in the comfortable resort hotels - only one is of eyesore proportions - that line the best beaches and provide food, shops, swimming and air-conditioned respite from the year-round sultriness. This is not to be sneered at, we decided, as we sipped cocktails by the pool and a woman from Borneo told us Irish jokes.

On the landward side, crowded streets are lined with restaurants offering cuisine from everywhere, and with craft shops. The fertility of the soil has always allowed the Balinese spare time to devote to arts and crafts. The road inland to Ubud passes whole villages devoted to silversmithing or wood carving, painting or stoneware. Some of it is superb, and expensive, and sarongs and batik are especially good value; but

cheap tat is always available. Each village has its own dance troupe; if you wait, the best ones may turn up at your hotel. Dances recount folk tales, or the Ramayana to have been invented in the 1930s, partly by Europeans, for a tourist film.

The most touristy spot is Kuta Beach, where the surfers go. Australians especially (Bali is only five hours from Sydney). They ride the waves by day and the discos by night and shop for exotic bargains while dodging motor scooters in the muddy alleys. Fake watches are a speciality: we were offered Rolex and Cartiers for about £3.50. With luck they may run for weeks.

As befits a modern resort, you can go bungee jumping, trekking, white-water rafting or cruise to nearby islands and snorkel among the coral. You can visit the bat cave near Kusamba, which has thousands of the little rodents fluttering round, and the monkey forest at Sangeh, where larger animals

climb up your legs and pick your pockets. Both of these are rather unsettling. More ethnically, you may come across religious rituals with marchers carrying flags and clashing cymbals. Local agents will take you to cremation ceremonies, if you have a camera and not too many scruples.

And yet, as with Lombok, the culture of tourism does not extend very far back from the beaches. The other Bali is a land of volcanic grandeur, dramatic panoramas, pagoda-style temples, ruined palaces, with villagers bathing in the rivers (it is not polite to watch) or tilling rice terraces. And you do not have to go far to find it.

You may prefer, however, to skip the Balinese and stay in the big hotels, where the tastes of westerners are understood and catered for.

Half a dozen of us piled on to a bed to watch the Princess of Wales on television, subtitled into the Bahasa Indonesia tongue, and rang for pina colodas. The waiter looked bemused until he recognised the subject of the programme: "Ah, Lady Dee," he said and smiled sympathetically. In Bali, east and west met long ago.

John Westbrooke was a guest of Garuda Indonesian Airline (tel: 0171-486 3011), which was once famous for taking 24 hours to get to Bali from London but now does it in a mere 17 hours, with one stop in Abu Dhabi or Bangkok. Return fares from Garuda-appointed agents begin at £590. Hotel rooms on the two islands range from £2 to £750 a night; we enjoyed the Serai, on a quiet Bali beach near Candi Dasa, starting at £50.

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Weekend FT

Vietnam Chopsticks, but it's not China

At 5am the woman with the pavement food stall opposite the hotel in Hanoi is pounding chillies. Crouched against a crumbling ochre wall, she beats out a steady rhythm for nearly an hour.

Her daughter, light-skinned with a dash of rouge on each cheek and a plastic flower in her newly washed, shiny black hair, heaves tureens of water on to a charcoal burner. By 6.30am the first customers arrive, crouching on stools barely an inch from the ground, legs akimbo like watchful grasshoppers.

The woman serves pho or soup, a noodle dish made of ox tail and seasoned with fresh ginger, cinnamon and star of anise. A bowl costs about 5 pence and is Vietnam's most popular dish, eaten throughout the day. By 8am trade has slowed. The schoolchildren set off on their big bikes, backs ramrod straight. The loudspeakers crackle out messages about hygiene and physical fitness. Like actors in a play, the woman and her daughter pack their things and a new vendor arrives.

She is selling spring rolls (nem in the north, cha gio in the south). These are more delicate and crisper than the Chinese version, filled with shrimp, vermicelli, chopped onion and mushrooms. China, always treated with great suspicion by Vietnam, often tries to emphasise common bonds. Chinese officials point out that Vietnam, like China, uses chopsticks while the rest of south-east Asia is fork and spoon country.

The Vietnamese emphasise the differences, particularly in cuisine. Vietnamese food reflects greater foreign influence, from France and also from Thailand to the south. In contrast to most cooking in China, the Vietnamese use a rich variety of fresh herbs. At a typical pavement lunch in Hanoi a large bowl of mint, basil, lettuce and parsley is placed on the table. A plate of star fruit, garlic and fiery peppers might also be on offer. The spring rolls are wrapped in

lettuce and herbs and dipped into fish sauce, nuoc mam, another vital ingredient in Vietnamese dishes. Soup would be accompanied by barbecued pork (beware: during the cold winters in the north dog meat is considered a delicacy).

A few years ago there were a half a handful of restaurants in Hanoi and the city streets were lit by one or two light bulbs. People went to bed early. Now an influx of foreign investors and tourists has transformed the capital.

The Cha Ca restaurant in the old part of the city is a survivor from the old days. There are only three tables. One dish is on offer. A charcoal burner with a frying pan is brought to the table. Chunks of fish are fried in oil. Mountains of fresh herbs are added. The fish is then placed on some cold, white noodles. Sliced onions, nuts and fish sauce are added. It is excellent, washed down with a cold bottle of the locally produced 333 beer.

Food tends to be more sophisticated and varied in southern Vietnam. The VY restaurant in Avenue Pasteur in Ho Chi Minh City (the former Saigon) advertises "a music de chambre with the piano, the guitar and the volon [sic]". The menu has some interesting items: "Fresh fish, shrimps, grilled under the patio. (You catch your own fishes.)"

If that appears too challenging then try the lotus seed salad, Goi Ngo Sen Tom Thit. Silvers of shrimp or pork are served with lotus seeds, pungent herbs and nuts. A fish sauce laced with chillies is poured over.

The French colonialists left a heavy imprint in the smallest villages, vendors sell bread rolls. The Vietnamese also make their own version of pate, cha, sold in large round rolls and served hot or cold. It is usually made from finely ground pork, though, to confirm that Vietnam is different, more exotic ingredients such as cactus are also used.

Kieran Cooke

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BOOKS

One-legged and on a tightrope

Jeffrey Bernard is, clearly, a cult figure. If I note that I had never read a word he had written until I received this collection of his writings from the Spectator, I suppose I am revealing ignorance on a Brobdingnagian scale. (Nor, for that matter, have I seen the staging in which Peter O'Toole played the author, Jeffrey Bernard is Unwell in London.)

I turn to the Spectator with constant pleasure, but have always resisted its High Life and Low Life columns: the first because of the steady drip-drip of name-drops, which is as boring as any other kind of bad plumbing; Jeffrey Bernard's column because the pub-world of which he is a denizen is more remote to me than the craters of the moon.

REACH FOR THE GROUND by Jeffrey Bernard Duckworth £8.99, 216 pages

Reaching for the Ground is subtitled The Downhill Struggle of Jeffrey Bernard and it has the indelible air of a one-legged man (which, alas, Bernard is) trying to negotiate Niagara on a tightrope. He lets us know that the rope is frayed, that he has little sense of balance, but with the occasional snarl at the circumstances that have brought him to this pass, he soldier on. The writings, like the high-wire act, are sad, obstinate, and more than a little macabre as a view of a man dicing with death.

Clement Crisp



Children playing in Piewman's Terrace, 1873, by John Minihan, one of a collection of photographs taken over the past 35 years of his home town of Athy, County Kildare, and its people, and shown in his new book 'Shadows From The Past: Portrait of an Irish Town', Secker & Warburg £20, 117 pages

Strong case for an Irish hero

The pendulum of sympathy is swinging in favour of Michael Collins, says Kieran Cooke

Michael Collins is the most argued over man in modern Irish history. To some he is the great patriot who organised the Irish struggle against the British in the 1916-1922 period, a romantic, Will O' the Wisp character who, had he not been cut down so cruelly when only 31 by a bullet from a fellow Irishman, would have gone on to lead his country to a glorious future.

To others, Collins was the traitor who sold out to the British during the Treaty negotiations of 1921, an egotistical conspirator more interested in womanising than the independence struggle, responsible for the division of Ireland and, by extension, largely to blame for the ongoing problems of the North.

Collins escaped the death penalty given out so freely by a hopelessly out of touch British administration. Returning from a spell in Britain's jail, Collins threw himself into the independence struggle. Mackay suggests Collins, as the main organiser of the Irish fighting forces, was the founder of modern underground warfare. "The tactics which Michael Collins evolved in the summer of 1918 produced a brand of guerrilla warfare that was without parallel or precedent."

Mackay describes Collins going about his multiple activities with the manic intensity of a demented leprechaun. As well as his military role, Collins functioned as the emerging government's finance minister and main fundraiser. Her work, Mackay has a more thorough description of the Treaty negotiations and the peculiar mutual respect that grew between Collins and his British adversaries, notably Churchill and Lord Birkenhead.

Collins tends to be more critical of Collins, especially in connection to Northern Ireland. On one hand Collins the pragmatist signed the Treaty believing it to be a first step on the road to full independence. On the other Collins the staunch nationalist did much to undermine the terms of the Treaty by supporting further armed action against the British in Ulster.

MICHAEL COLLINS: A LIFE by James Mackay Mainstream £17.50, 320 pages

MICHAEL COLLINS: A BIOGRAPHY by Tim Pat Coogan Hutchinson £9.99, 480 pages

Fiction / Michael Pollard Gay life, love and Aids

It is commonplace nowadays that new novels by gay authors bear the critical imprimatur of Edward White, and are largely - when not exclusively - about Aids.

New York and California than Margaret Mitchell's magnum opus - beloved of gay men of all nations - was ever sold Deep South.

LIKE PEOPLE IN HISTORY by Felice Picano Abacus £6.99, 312 pages

AMERICAN STUDIES by Mark Merlis Fourth Estate £6.99, 275 pages

genuinely literary treatment of a taboo regarded as second only to incest, the epidemic of the 1980s and 1990s has added a rich seam of humanity to the fictional evocation of a world which has too often been considered sterile and frivolous.

Reissued now in paperback, Mark Merlis's American Studies draws a subtle line between past, present and unknowable future. Fresh and unaffected, it is wryly and warmly generous - though Merlis is unsentimental when it comes to dealing with disillusionment; with life on the contemporary gay scene and the raw pain of first rejection, "the danger... of life in the bars".

The pendulum of sympathy is swinging in Collins favour. Neil Jordan's film to be released later, starring Liam Neeson, is likely to enhance the Collins image.

The man who was always known as "The Big Fellow" (Collins was tall, good looking, a sportsman whose favourite leisure activity was a bout of wrestling, usually ending in biting off a piece of his defeated opponent's ear) is being built into an Irish hero.

James Mackay is at the forefront of the pro Collins forces. Collins became a poor farming family in Cork. As a bright teenager, he beat the well-trodden path across to London. There, while working as a clerk in the City, he immersed himself in the expatriate Irish community and was fired by ideas of Irish independence.

Collins was the founder of modern underground warfare. "The tactics which Michael Collins evolved in the summer of 1918 produced a brand of guerrilla warfare that was without parallel or precedent."

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Bread and potato for the land girls

Living conditions for the Women's Land Army ranged from barbaric to sybaritic, finds Gillian Beer

In the late 1930s, just before the second world war, Britain imported 70 per cent of its food while Germany produced four-fifths of its own. This stark and potentially disastrous contrast was the worse because Britain, in the "set in a silver sea", suddenly the sea became a threat, not an opportunity: barbed wire sprouted on beaches, the land contracted in upon itself. Men joined the forces and left the land: in 1940 there was a shortfall of 50,000 agricultural workers.

The recruitment posters showed a glowing young woman with a fork full of corn on a golden afternoon. There were afternoons like that, and healthy pleasures, but the abiding memory of some land girls was of hunger. Sliced bread and margarine and potatoes as staple diet for young women working long hours of physical labour makes you wonder who was eating their proper rations. This was the key problem for the organisers: the workers were spread out across so many isolated farms that it was hard to be sure of their welfare. They faced prejudice from many farmers (and farmer's wives) which only very gradually gave way to appreciation.

They were a one-rank service. Urban girls were pitched into the countryside. Class prejudice against them showed in mean ways: in the pubs and from the government, in the inadequate uniforms provided - leaky boots, lack of greatcoats. The Timber Corps of the WLA lived a different kind of life, disciplined but itinerant, walking in teams vast distances in forests and living in huddled camps, tree-felling and pole marking. They saw themselves, and were seen by many outsiders, as the elite.

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protest when, with appalling unfairness, land girls were excluded from all the post-war benefits and resettlement grants accorded to the armed services and to civil defence and other auxiliary workers. Nicola Tyrer harks back to the land army as a model for a non-confrontational feminism.

THEY FOUGHT IN THE FIELDS: THE WOMEN'S LAND ARMY. THE STORY OF A FORGOTTEN VICTORY by Nicola Tyrer Sinclair-Stevenson £16.99, 242 pages

orchard grass Apples and shrubland. Many of these young women worked under the pathways of warplanes and suffered for it.

Certainly it made women independent, sometimes lastingly so: "I'm 77 and I've just repointed a stone wall and lowered a ten-foot hedge to six feet."

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ARTS

Modern Oedipus in ancient Greece

David Murray on Sophocles' plays in Epidaurus

Ancient Epidaurus pronounced "eh-peetha-vross" by modern Greeks - is about three hours south-east of Athens, round about the Bay of Salamis and down. It boasts one of the best-preserved theatres of the old Greek world, from 4BC, is beautiful to behold and is an acoustic miracle. Sophocles' *Oedipus Rex* was first put on there.

Originally the theatre was just one component of a whole devout complex, the sanctuary of Asclepius the healer - almost a kind of spa, where people came for curative baths. In recent times, with the bathing confined to nearby Aegean beaches, Epidaurus has become a summer showcase for theatrical work that suits it: ancient Greek drama reinterpreted in modern Greek, and classy foreign productions with the right gravitas.

Our National Theatre took Aeschylus' *Orestes* there in 1983, as famously staged by Sir Peter Hall, and in 1989 his productions of three late Shakespeares. Now that he has returned to the NT to produce Sophocles' two *Oedipus* plays (which open tonight in the Olivier theatre), it was only natural that he should want to try them first at Epidaurus.

There were unforeseeable problems. At the last moment the Greek archaeological authorities fretted over Sir Peter's open flames

in large petrol barrels for *Oedipus Rex*, and the explosions of thunder in *Oedipus at Colonus*; and then his *Oedipus*. Alan Howard, fell off the raised central runway during the dress rehearsal, suffering a nasty compound fracture of the wrist. Howard insisted on going through with the public performances, his wrist-cast painted to match his sleeve, but his physical persona was visibly constricted.

A serious loss, for an actor in a mock-antique, full-face mask (all the actors are masked by Dionysis Fotopoulos, with a poignant "lost" pathos which is palpably modern). His cautious arm gestures were too small for the Epidaurus spaces, too little suggestive of either the younger Oedipus's arrogant authority or the ex-king's weary dignity. Instead, the notorious Howard voice had to carry everything: bizarre operatic roulades and flinty, ultra-measured speech, with sudden stabbing insights into meaning.

More temperate but heartfelt accounts of Queen Jocasta and (in the second play) his loyal daughter Antigone, by Suzanne Berish and Tanya Moodie, went some way toward restoring a classical balance. The masked Chorus disported themselves expressively, though their modest dancing looked mingy in this huge arena.

Yet we lost not one word, except when an actor's mouth was briefly misaligned with his mask. Hearing *Oedipus at Colonus* from the high rear-most seats at Epidaurus, I missed nothing.

If there is a gravel in the lens - and there is - it is with Ramit Bolt's translation. The great Greek dramatists wrote their plays in several different metres, according to context, none of them reproducible in modern English. Bolt has opted for rhyming pentameter couplets throughout modern-casual (loads of contractions, "I'm" and "we're" said "he's"), and breezily suggests, not to say chirpy, not to say flippant.

Imagine the fraught blank verse of *Hamlet* or *King Lear* re-worded into rhymed couplets like Romeo's, or *Two Gentlemen of Verona*, (which needs a considerable imaginative effort). Then extend the exercise: suppose that Dorothy Parker has been invited to crystallise *Lear* into brisk two-liners, striving manfully to keep a straight face.

That is pretty much what Bolt gives us, and what Hall has had to direct. It sits badly with the staging; at high points, it sounds off-hand-colloquial when the actors strive valiantly after lofty pronouncements. The net result is lucid, but all too plain.

Where we ought to be gripped, we are merely interested. There is more to Sophocles than that.

■ Sponsored by the Bank of Greece



Alan Howard as the masked Oedipus in Sir Peter Hall's production

Opera / Richard Fairman Lots of tricks but no magic

Apparently, there were eight weeks of rehearsal for this production of *The Magic Flute* and it is not hard to see where they went. The cast make a spectacular entrance as circus performers, turning somersaults, walking on stilts, juggling and doing acrobatics with remarkable skill.

To get a group of opera singers to master tricks like these is an achievement in itself. It is just a shame that time seems to have run out before anybody at Opera Factory got round to thinking about the music or drama for the company's new production. Much of the singing that follows is woefully inadequate and the producer soon loses his grip on the high wire and falls to earth with a bump.

In the past David Freeman's Opera Factory productions, including three previous Mozart operas, have been the subject of controversy, but the only outrage likely to be felt this time round will come from people who believe *The Magic Flute* has some deeper meaning worth probing. The circus setting is a sham. Freeman makes Sarastro the ringmaster and Papageno a clown, but that is it. There is none of the ingenuity shown by the producer who set Gounod's *Faust* in a circus some years back.

At least that means the characters emerge much as we usually know them. Thóra Einarsson's soprano is almost laser-bright and

her Pamina attracts notice for being gung with some promise. Richard Chew as Papageno the clown manages to find pathos as well as low-grade humour ("Bil-mey!", he exclaims, when he finds what his magic bells can do).

Apart from Andrew Burden's sturdy Tamino, I prefer to pass over the rest, pausing to note that they all work hard.

The orchestra plays Jonathan Dove's scaled-down version of the score, originally made for the City of Birmingham Touring Opera. It is a more drastic re-writing than most arrangements of this kind, including an optimistic part for solo trumpet that sounds as if it has come straight out of Musorgsky's *Pictures*. Nicholas Kok hurries his small band along, sometimes behind the singers, but usually in front.

The most delightful credit in the programme goes to All Bongo as Magic Consultant, who obviously has a grudge against somebody and has thrown a horrible spell over the whole affair. There is nothing to this *Magic Flute*, no sharpness of intellect, no warmth of emotion, certainly no wisdom. As Papageno remarks, it is all "one sandwich short of a picnic". Quite so.

■ Sponsored by Buchler Phillips Consulting and Valmet. Further performances at the Queen Elizabeth Hall until September 20, then on tour

Paris goes on show

Nicholas Powell on the 18th Biennale fair

Paris's Biennale Internationale des Antiquaires has always considered itself the mother of arts and antiques shows, more spacious and with more exhibitors than London's Grosvenor House, more luxurious than Maistrick.

Despite the rivalry of other major fairs, which every year steal a little more of the Biennale's thunder, the Paris show remains a major fixture for collectors on account of its high quality, the seriousness of the vetting procedure for every item and the theatrical care taken over presentation.

With the huge Grand Palais still closed for repair, this year's 18th Biennale will again be tucked away in the Carrousel du Louvre, the luxury underground shopping mall next door to the Louvre museum. One hundred and twenty dealers, including 30 from Britain, Germany, Belgium, Italy and the US, hope to see up to 90,000 visitors between September 13-29.

With the French art market deeply depressed, the dealers' syndicate running the Biennale is pinning a lot of hope on American collectors and decorators. A US patrons' committee has been created, assembling 200 prominent and well-heeled

names, under the patronage of Nancy Reagan (who will not be coming). Many of them will attend a pre-opening gala dinner and private visit of the fair and the social momentum thus whipped up in the US should, organisers hope, encourage *les caisses*.

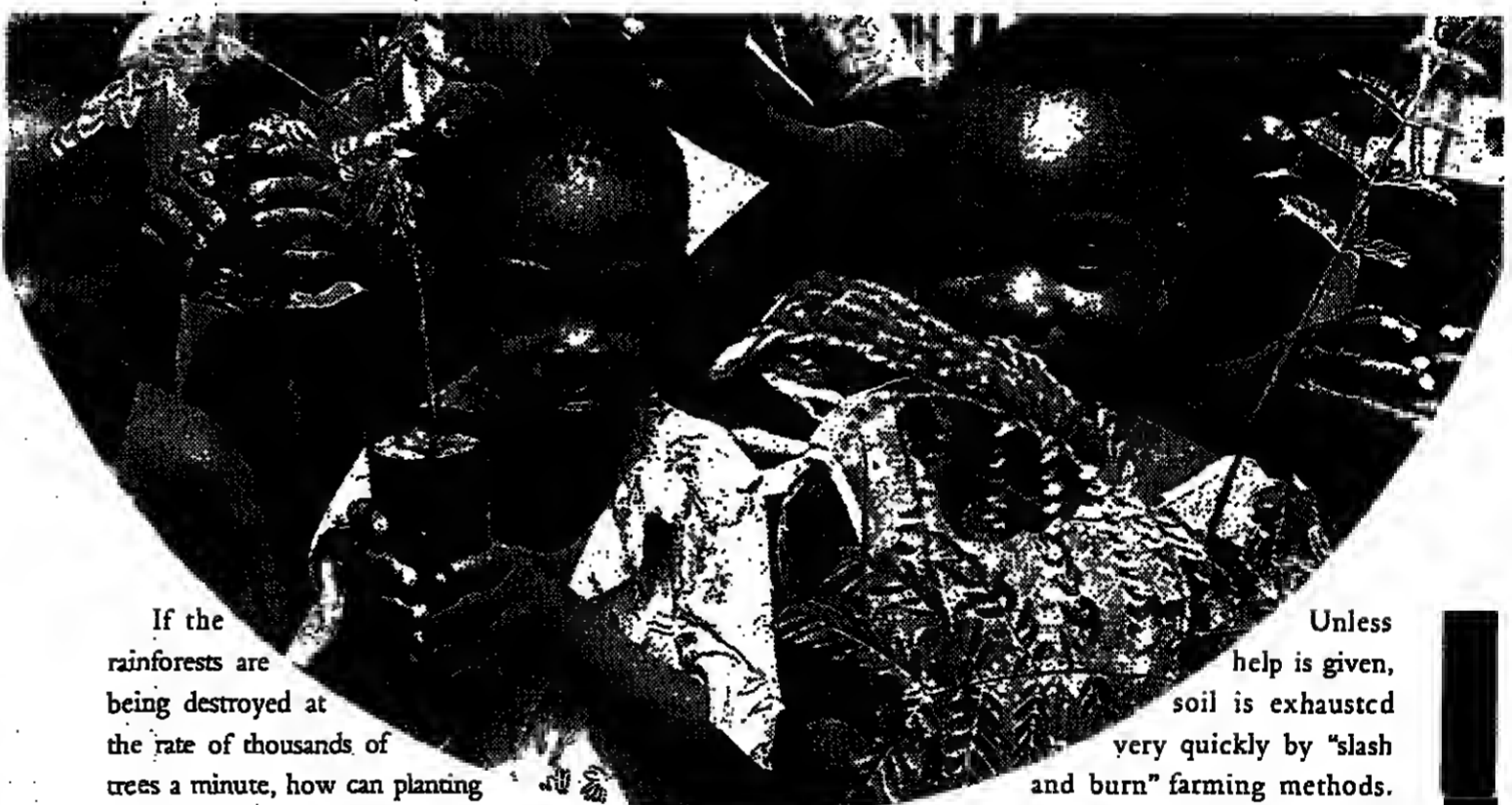
Seductive visual appeal to offset the relative lack of volume and the total absence of daylight in the Carrousel is all important this year. Couturier Christian Lacroix dropped out at the last minute from a project for something the organisers call "dressing" the main foyer, but Biennale architect Patrick Jaouanet has decorated the four main exhibition halls in warm "Provencal" colours and decked stands with Louis XVI-style gold wood mouldings. Cooks from some of France's best provincial restaurants, meanwhile, will provide food.

As ever, the Biennale covers every aspect of collecting, from tapestries to renaissance art, Art Deco and porcelain - there will be 12 specialists in this field alone. But the Paris fair owes its reputation in particular to the very best French furniture of the 18th century.

This year, among other top-notch dealers, Maurice Segourra will be asking around £300,000 for a particularly fine commode with spectacular decoration in lacquer by the cabinet maker Mathieu Criard. Jean-Gabriel will show an exceptional pair of coffers in Boulle marquetry made around 1710.

This Biennale has introduced a greater degree of variety into its exhibits. Modern art, of a very classical, big name sort and only up until 1950 has finally made its entry into the fair with three dealers, all Parisians, who will be counting more than most on American custom. More primitive art - African, Oceanian and Pre-Columbian - will also be on show and ancient art from the Far East, in particular China, will have pride of place on no fewer than eight stands.

Gisele Croes of Brussels will show a magnificent set of bronzes from the 18BC to 2BC and a small collection of Warring Kingdoms belt-hooks (SBG) made of gold, silver, glass and bone. Christian Deydier, a French dealer based in London, will exhibit a collection of 18 ancient Chinese horses in terracotta, ceramic and bronze dating from the 5BC to 10AD.



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'Harlem' - 1947, by French photographer Henri Cartier-Bresson, to be seen at the Equitable Gallery, New York, in an exhibition 'Henri Cartier-Bresson in America' 1935-1975, from September 19 to November 2.

COLLECTING

Auction rooms yield to nostalgia

At the beginning of a new term in the salerooms, Antony Thorncroft looks at how connoisseurship has given way to other obsessions

It is September and the saleroom catalogues and the exhibition invitations start to sprout again on collectors' door mats, like spring crocuses. Another antiques season is starting and one that holds more promise than any for the past six years.

The recession battered the trade hard, and the first tentative signs of revival early in 1995 soon withered. But in recent months business has picked up noticeably.

With the economies of both the UK and the US starting to resurge, it would be surprising if there was not a renewal of interest in antiques.

The word "antiques" is used loosely. Most objects sold in the auction rooms, in dealers' shops, and certainly in the antique fairs and antique markets which now service the bulk of buyers, can no longer be regarded as antiques - that is, objects which are more than 100 years old.

In the past 30 years the finest objects of the past, especially paintings and furniture, have entered muse-

ums, or reclusive collections. Even Sotheby's and Christie's are forced to promote objects as masterpieces which they would have snubbed in 1960.

The obsession with nostalgia, and the decline in connoisseurship, means that most new collectors are

Those keen to spot 'antiques' need only visit street markets

acquiring objects created in the 20th century, or in their own youth.

On Thursday, Christie's South Kensington held a sale of pop memorabilia, including almost 20 lots relating to the Sex Pistols. Next week it is offering auctions of Guinness advertising ware and of modern design, including furniture made in 1994. The collectors' needs are driving the market.

Anyone anxious to spot the latest "antiques" needs only visit street markets, such as Greenwich in London, or the fairs, like the vast gatherings at Newark, in Nottinghamshire.

There collectors can, for a few pounds, become dealers overnight, buying space to sell items in which they have lost interest. There the Trekkies and the telephone card fanatics can indulge their passions.

A trip to either of Bennie Gray's two London antique markets, Alfies in Church Street, Marylebone, or Grays in Davies Street, will give a more rounded, in-depth look into the trade at the start of a new season.

The omens are good. At both markets, each with around 200 stands, there are few spaces available for rent. By Christmas Gray expects a waiting list.

Bennie Gray set up Alfies, London's first covered antique market, 20 years ago, and a year later added Grays. Trade was different then. There were still furniture and picture dealers who, driven out of their shops by high overheads, were happy to carry on business in the arcades.

The recession of 1990 brought in another wave of dealers desperate to cut costs, but this time they might be trading in jewellery, or art deco, or toys.

In Grays, where the charge for taking a stand ranges from £50 to £300 a week, there are still traditional dealers in jewellery. (Gray claims the largest choice of antique jewels in the world), antiques, oriental works of art, and toys, and although most items sell for less than £200 the occasional object may exceed £10,000.

At Alfies, where a stand ranges from £25 to £100 a week, the dealers concentrate on 20th century antiques geared towards interior decorators and to gifts: glass, art deco, 20th century furniture, costume jewellery, etc.

Prices rarely top £1,000. Around 80 per cent of the buyers are trade, often from abroad - with the Italians traditionally pioneering new collecting fields - while the retail buyers are largely affluent young locals.

Gray is obviously well placed to pinpoint antiques of the future. He reckons that anything that has an emotional attraction, especially to young people, is collected once they become affluent. The obvious example is the pop memorabilia of

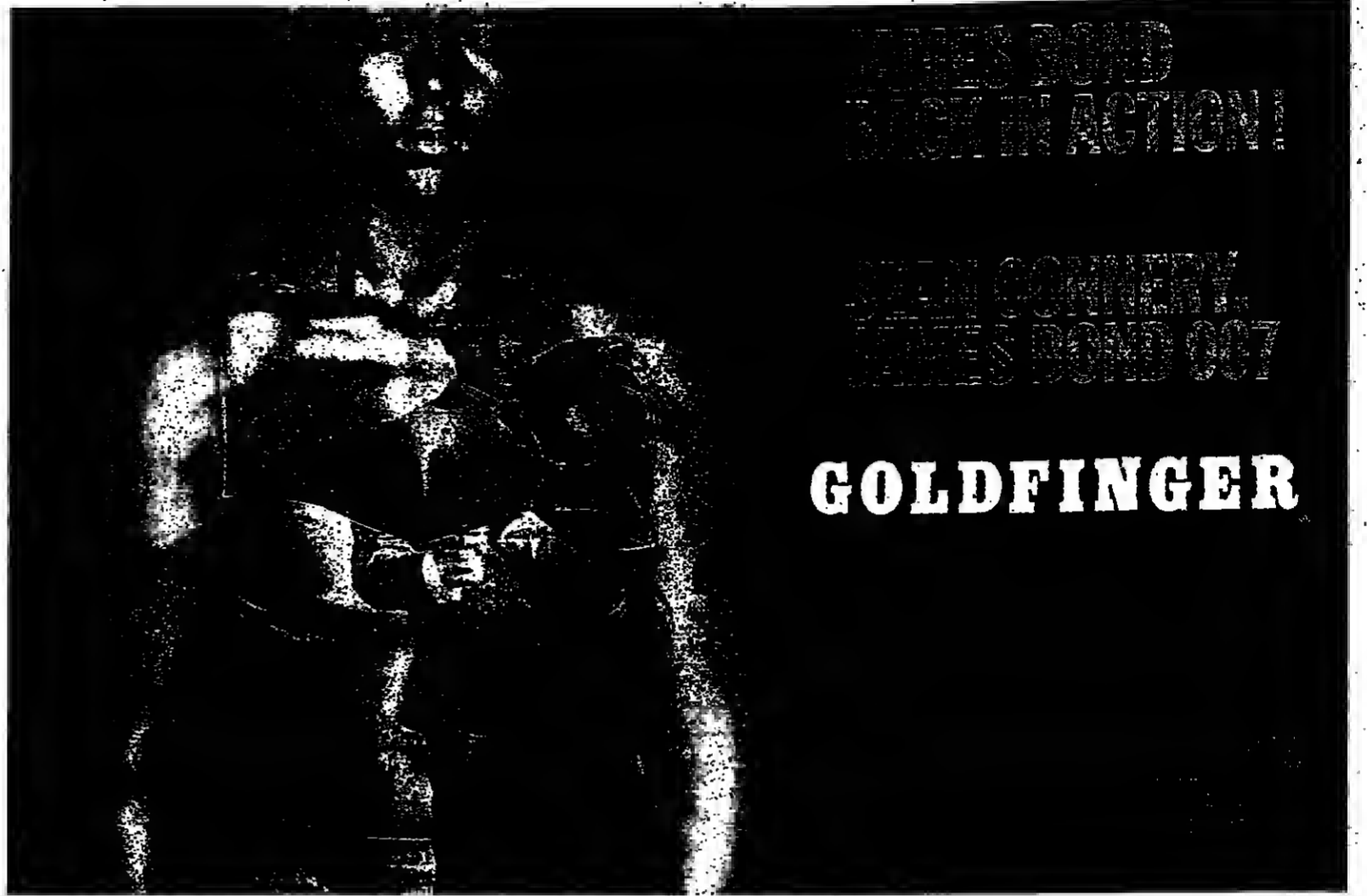
the 1960s, especially items relating to The Beatles.

With soccer rivaling pop as a public passion, objects linked to soccer - star players' boots, the strips of the top teams, European Cup paraphernalia - are likely to have a powerful appeal in 20 years time, or even less.

There is growing nostalgia for objects of the 1980s. The same applies to popular movies and television programmes aimed at the youth market: already *Dr Who* and *Star Wars* memorabilia are sought after.

This hunt for new antiques is the driving force behind another hypermarket which is emerging at Camden Lock. London's largest street market always contained some antique stands but they were dwarfed by traders offering clothes and ethnic gear to the young. Now the Stables, a labyrinth of small rooms near the Lock, is being overhauled and moved up market.

Many of the 400 dealers, who pay between £40 and £400 for a pitch, trade in the latest "antiques", notably science fiction material and 20th century clothes and furniture. The aim is to stretch trading from Saturday and



This poster for the James Bond film 'Goldfinger' is likely to fetch between £500 and £700 at Christie's on September 14

GOLDFINGER

the merchandise can touch perilously close to the level of tat, but there is always some rough-and-ready quality control. Above all they recognise the fact that "antiques" is now a flexible term to cover any collectibles.

It is hard to estimate the turnover of such hypermarkets, but between them Grays and Alfies must sell more than £30m worth of goods a year, putting them not far behind Bonhams, the auction house.

Grays is already planning a similar operation at the Custard Factory site in Birmingham but this time is thinking of adding the obvious twist to the merchandise. As auction houses run out of antiques, even 20th century antiques, they are turning their attention to contemporary antiques: modern crafts.

Bonhams and Phillips, as well as Christie's, are testing the waters here, with furniture, ceramics, silver and jewellery made by young craftsmen. In Birmingham, contemporary crafts may be sold alongside antiques.

The recession has forced antiques dealers to improvise, and the most common

and best ways of surviving are to trade from home and buy into a monthly fair, or to take a space in an antiques supermarket.

The well-established traditional dealer, barely making ends meet in his shop, may look down on such makeshift practices but they have helped the business survive six bleak years and they could help lead it into a more prosperous future.

Bennie Gray invariably asks stall-holders, "how's business?". The reply, as ever, is "terrible", but he notes they are saying it with less conviction.

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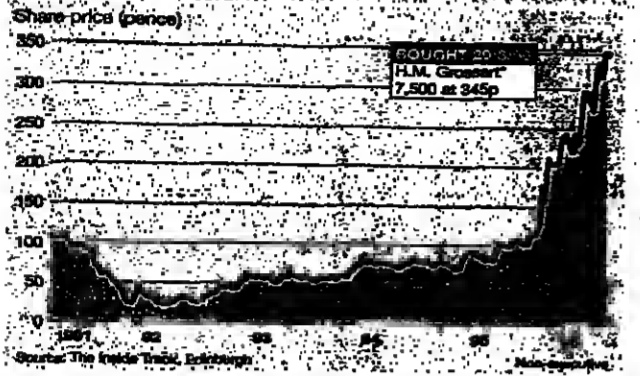
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WEEKEND INVESTOR

Directors' dealings

One of the week's more interesting purchases was at Cairn Energy, the Scottish oil company, where Hamish Grossart, a non-executive director, bought 9,000 shares in two batches at 2.46p, writes Vivien Macdonald of The Inside Track.

Cairn Energy



Source: The Inside Track, Edinburgh

Table of share prices for various companies including AMEC, Anglo Eastern, Argenta, Baxi, Booker, Bunnings, etc. Columns include company name, share price, and percentage change.

(Figures in parentheses are for the corresponding period) Dividends are shown net price per share, except where otherwise indicated. Notes: 1 Net asset value per share, 2 high points and peaks, 3 3-month figure, 4 US dollars and cents, 5 12 month against 12 month figures.

Table of bids for various companies including Abertawe, Abertawe, Abertawe, etc. Columns include company name, bid price, and percentage change.

Bids

Booker, the UK's largest cash and carry group, on Thursday offered £294m for its main rival, Nutris & Peacock, writes Simon Kuper. The deal would take Booker's market share to nearly 40 per cent. It played down fears of a referral to the Monopolies and Mergers Commission, saying that independent retailers and caterers could use supermarkets and discounters as alternative sources of supply to cash and carry companies.

Delton is to raise £14.15m via a placing of shares at around 115-120p. Lestrade is to raise £10m via a placing on AIM. Livingston Horticulture is seeking a listing. Oriental Restaurant Group is seeking a listing via a placing.

Directors' dealings in their own companies

Table of directors' dealings in their own companies for August 2000. Columns include company name, director name, shares bought/sold, and price.

Results due next week

Table of results due next week for various companies. Columns include company name, market, date, and percentage change.

Dividends are shown net price per share and are adjusted for any intervening share issues. Reports and accounts are not normally available until about six weeks after the latest trading to approve preliminary results. 2 1st quarterly, 3 2nd quarterly, 4 3rd quarterly, 5 high points and peaks, 6 Australian dollars and cents.

Table of results due next week for various companies. Columns include company name, market, date, and percentage change.

Results due next week

Table of results due next week for various companies. Columns include company name, market, date, and percentage change.

Prices: prices unless indicated. All cash offers. For capital not already held. Unconditional. Based on lunchtime prices 6/9/96. Shares and cash. (1) Scheme of arrangement, 2 includes 48p Special Dividend.

In the Pink

When the investment piper called the tune

Roger Taylor reports on the Morgan Grenfell affair and answers questions about its consequences

Morgan Grenfell as fund manager of the year. While Young was required to subject his investment decisions to review by his colleagues, it seems they were dazzled by his stories of unlisted Norwegian and Luxembourg high-tech companies with wonderful prospects. But a few observers did comment on the unusual nature of the fund's investments, and some brokers decided to pull out. One is Premier Investment Managers of Guildford which dropped the MG European funds in their sector.

The investors who lost out were those who bought this year, as the fund's value peaked. They have seen the price drop sharply. But MG is considering compensation for them

Investors who got in early enough enjoyed a spectacular and unsustainable rise in their investments - and have now been bailed out at the top by Deutsche Morgan Grenfell, which has injected about £200m into the funds to stop the price collapsing. The investors who lost out were those who bought this year, as the fund's value peaked. They have seen the price drop sharply. But MG is considering compensation for them.

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Weekend Investor

Wall Street

Courage flags as the wolves gather

Indecision is the order of the day in the face of bad news. John Authers reports

Wolves were circling the Wall Street wagon all week. None pounced. Markets did little, showing their jitters with brief over-reactions to the appearance of bad news, but unable to muster the courage for any decisive act before some deep uncertainties were resolved. The chances are the rest of September will be no different.

Wolf-in-chief, allegedly slaving at the mouth for a fiscal tightening, was Alan Greenspan, the Federal Reserve governor. The ultimate party spoiler, the word was that he would only pounce and raise interest rates. In the event of strong economic news which laymen might expect Wall Street to welcome.

In particular, yesterday's unemployment figures were closely watched. Most people might think that the strong improvement in the number of people finding jobs, ahead of economists' expectations, was good news. But it was also a sign that the economy was overheating. Thus, the logic went, Greenspan would be more likely to raise rates - bad news for bond and equity markets.

The bond markets were already priced on the assumption that Greenspan will raise rates. Normally bond prices fall, with the result that their yield or effective interest rate rises, ahead of a base rate rise. As the graph shows, they did this some months ago, and last week went above the psychologically important seven per cent level.

However, equity prices, which usually move in the opposite direction from bond yields, remain close to their highs for the year - suggesting that they are due for a downward "correction".

By mid-week, the Street was paralysed by speculation about Greenspan - with a narrow majority believing he would raise rates in the near term. Some even thought that strong employment figures would force him into an immediate rate rise, something that had not happened outside one of the Fed's regularly scheduled meetings for more than two years.

The figures finally flashed across dealers' news-screens



at 8.30am yesterday. "US August Payrolls Exceeds Average Forecast". Dealers sold first and thought later. At 8.33, the screens announced: "Treasury Plunge on Jobs Data". The Treasury issued 30-year bond, the most closely watched security, had fallen a whole point, a precipitous fall within three minutes.

By 9.00, it had regained all its losses. And the stock market, when it opened, was up for the day. Dealers had digested the news, realised the figures were only marginally better than expected, and returned to normal. But the markets will continue to eye Greenspan and the Fed very nervously - there will be more data to worry them next week.

And then, starkly on to the horizon on Labor Day, the traditional start of the presidential election campaign, was the wolf Wall Street fears most - political risk. Markets normally do little in the lead-up to an election, waiting for the uncertainty to be resolved. But this year the market is unlikely to stay inactive until the November election.

This is because, unusually, the campaign promises to be chiefly about the economy - in contrast to 1988, for example, when Americans made their choice on issues such as how to punish people who burned the American flag.

Bob Dole, the Republican contender, is languishing behind President Clinton in the polls, and has tried to ignite the campaign with a dramatic plan to cut taxes by 15 per cent. He says this

would help cut the deficit. Republicans are traditionally the party of business, but this is exactly the kind of drastic plan which Wall Street hates.

Unless the output of the total economy grows substantially, as Dole says it would, a tax cut would normally lead to a greater government deficit - as it did, dramatically, when President Reagan cut taxes in the early 1980s.

So a rise in Dole's poll ratings might scare the market. Abby Cohen of Goldman Sachs says: "It may well be the Republicans who roll the financial markets during this period, particularly if bond investors worry that the Dole campaign proposals, and their attendant gap between likely revenues and expenses, might actually become government policy."

Even more worrying, according to Eversen Securities, is the prospect that a resurgent Dole might make Clinton embrace deep tax cuts, leading to a "bidding war on tax cuts".

Americans at large might well treat this, like falling unemployment, as good news. Wall Street will not. The market in any case normally performs worse in September than in any other month, and the wolves seem certain to stay circling for a few weeks yet.

Dow Jones Ind Average

Monday	Market	closed
Tuesday	5985.36	+21.19
Wednesday	5956.50	+25.51
Thursday	5908.95	-49.54
Friday		

London

Why agility was crucial

Philip Coggan on a week when it paid to be alert

You have to stay on the ball if you want to invest in the UK stock market. It is no good thinking that a mere knowledge of company accounts and share valuation methods will see you right.

This week, for example, the market took a knock from events in Iraq where Saddam Hussein's intervention in a Kurdish dispute provoked US air strikes. The oil price (and shares in oil companies) rose sharply on the prospect of political unrest in the Middle East, and the broader market had a brief flashback to 1990 when Saddam's invasion of Kuwait sparked a bear phase.

Those who had mastered the intricacies of Middle East politics would have been smart for a couple of days but, by the middle of the week, the spotlight had shifted to the US economy.

Patent readers will recall

that a series of strong US economic statistics in July convinced investors that the Federal Reserve would raise interest rates at its August 20 meeting. The yield on the 30-year US Treasury bond rose to 7.25 per cent and stock markets round the world fell in response.

Then, in August, the mood changed. The economic data in the US was less strong than before and the Fed did not, after all, raise rates. The 30-year bond yield dropped to 6.75 per cent and world markets recovered.

Late August and early September have seen yet another turnaround. The US economy has appeared stronger, and the Wall Street Journal reported this week that the Fed was set to increase interest rates by one half of a percentage point. The yield on the 30-year bond climbed back over 7 per cent.

Yesterday's publication of the market's latest favourite economic statistic - the US

non-farm payroll - was, therefore, the highlight of the week. The figure duly caused some immediate volatility in the market but was broadly in line with expectations. It provided no decisive evidence of whether the Fed will move rates.

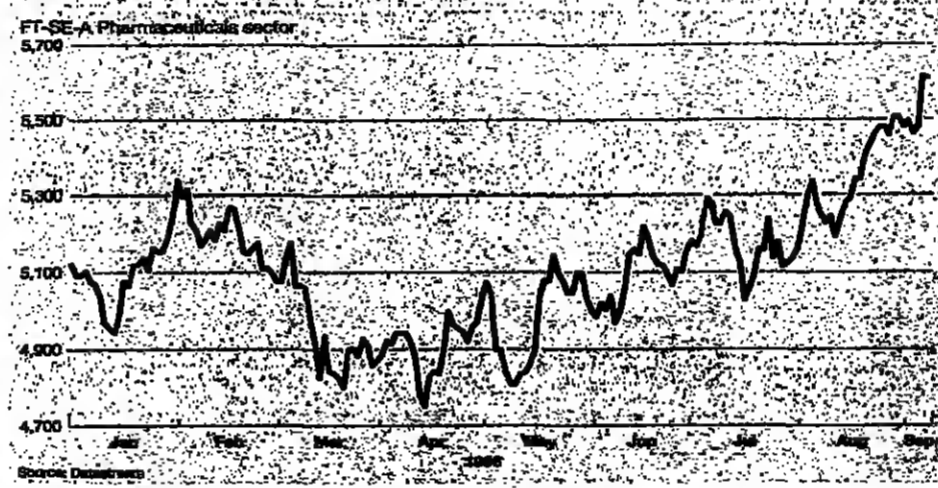
The UK stock market has held up quite well in the face of all these international developments. Although the FT-SE 100 index has dropped away from the all-time high of 3,817.7, recorded on August 28, it seems to have managed to break out of the top of the 3,650-3,850 range in which it was stuck for much of the year.

Nevertheless, technical analyst Brian Marber remains gloomy. He points out that Footsie has failed to close 2 per cent above its former all-time high, recorded in April; as a consequence, the index is in danger of forming a "double top" on the charts, a very bearish signal.



UK stock market: keep your eye on the ball when investing

Bid rumours lift the drug stocks



Highlights of the week

FT-SE 100 Index	3892.0	-25.4	3916.7	3480.1	US interest rate fears abate
ASDA	1074	-14	122	84	Min target of Tesco in price war
Allied Domecq	477	-17	698	419	Upgrades following Carib-Tollie sale
Beech	782	-40	849	632	Fears of Carib-Tollie referral to MMC
Blue Chip	289	+2	283	278	Positive interim results
British Aerospace	1018	+23	1024	944	Eurofighter go-ahead
Knofloher	624	-27	654	441	Favourable figures expected
National Power	383	-19	615	575	Govt sale talks
Nurin & Peacock	189	+87	205	130	Agreed bid from Booker
Railtrack (subs)	55	+2	55	55	USX positive
Rolls-Royce	239	-11	249	149	New orders announced
Unilever	1311	+82	1377	1172	Reorganisation hopes
United News & Media	624	-24	729	510	Reorganisation of Express newspapers
Vodafone	222	-12	225	203	NetWest 'seal'
Zeneca	1577	+47	1624	1083	Bid speculation

Barry Riley: Europe's very own mini-Japan

But is the French economic performance really so bad?

Excuse my frangetais, but *le crash* is not just the dubious gastronomic experience promised to us by the advertisements for French Golden Delicious apples. More importantly, it sums up the crisis facing the French economy.

To British eyes, this is by no means entirely unsatisfactory. The French, after all, appear to have been smirking at the UK's economic and financial problems for several years now, notably at the time of its humiliating exit from the European exchange rate mechanism four years ago. The collapse of sterling's value since then has meant that the British holidaymaker travelling in France has been able to buy only seven or eight francs for his pound rather than the nine or 10 he got before. This hurts British pride as well as British pockets.

Perhaps the remainablers which appear regularly on the French political streets (these gangs of farmers, pensioners or workers are the necessary counterparts to the narrow clique of *émigrés* that governs the country) will now focus on domestic problems rather than on attacking British lambs or cows, or blocking British ferries. And if France misses the Maastricht budget deficit

celling for the single European currency - which looks inevitable - then no sympathy will be expressed in the UK by its own ugly mobs of anti-Emu protesters.

But this is no time for smugness or self-satisfaction. France is the UK's third-biggest trading partner and, to a large extent, its problems are also Britain's. This week, the French government revealed the economy had contracted by 0.4 per cent in the second quarter under the burden of high taxation and an uncompetitive exchange rate.

France is a kind of mini-Japan within Europe, its economy held back by a crippled financial system (shored up expensively by the government) and its industry handicapped by an over-valued currency. In Japan, too, the mood has turned gloomy again after the sudden and unexpected surge of economic growth at the beginning of the year, although this largely reflected government spending.

At least the Japanese have been able to cut short term interest rates to a rock-bottom 0.5 per cent. But the French, having pegged their currency to the D-mark, have to wait on the Bundesbank and be grateful

for the 0.3 per cent reduction tossed to them at the end of August (French money market rates are now about 3.5 per cent).

If there are too many Japans and Frances around, the global economy as a whole must be slowed down. That is the curse of debt deflation, when the forces of

This is no time for smugness. To a large extent, France's problems are also Britain's

credit and money growth are no longer acting powerfully to encourage economic expansion but resources have to be diverted to repay debt and rebuild the financial system.

On the other hand, is the French performance really so bad? Officials point out that there was positive growth of 0.7 per cent during the first half-year as a whole. That compares with 0.8 per cent in the UK.

Now, however, the UK is set to accelerate. But the difference is that the UK is being pumped up with personal tax reductions and rapid monetary growth - showing up in house prices,

for instance - while France is on something of a starvation diet.

A recovery needs encouragement. On Thursday, French prime minister Alain Juppé resorted to the tantalising promise of income tax cuts. By yesterday, though, it was clear that social security, alcohol and tobacco taxes will be going up.

Next year, says the French government, growth will be 2.3 per cent. Let us hope so. It must happen if the figures are to come out anywhere near right for the transition to the single currency. But perhaps the borrowing numbers can somehow be fudged. An asset shuffle involving France Telecom is said to be somewhere on the hidden agenda.

The greater danger to the *Emu* timetable is that the frustrations of the French grassroots will break out over social security, promises being broken, public spending being cut and unemployment running at 12 per cent (and more like 26 per cent among people under 25).

So far, the financial markets have lapped up the French commitment to the single currency. Within the past month, however, there have been nervous wobbles. The franc has weakened slightly against the D-Mark

and the pound now will buy almost 8 francs, around 6 per cent better than the all-time low of 7.55 reached last November.

Worried British holidaymakers poring over restaurant menus in the Dordogne can pluck up courage. Perhaps by the time the credit card counterfoils are processed, the exchange rate will be better still. In any case there is no great advantage in crossing the border to Spain; there, the equally hard-pressed government has just raised the tax on *gin*. The bloodthirsty UK onlookers hoping to see turmoil in the French streets probably will be disappointed this autumn and winter. France will hold its course somehow.

The UK's short-termist taste for dramatic devaluations is not shared on the Continent - and rightly so, because the problems are deep-rooted. They are easily blamed on *Emu* but Germany, as well as France, has lost competitiveness seriously for a variety of reasons that include the "confuse of subsidy" for which the OECD criticised Bonn this week. All the same, a winter of discontent might just be a fitting retribution for the French decision, just announced, to abolish summer time.



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OFFSHORE AND OVERSEAS

BERMUDA (SIS RECOGNISED)

Table listing Bermuda funds including Family Gateway Funds Ltd, Bermuda Investment Management Ltd, and others with columns for fund name, price, and change.

BERMUDA (REGULATED)**

Table listing regulated Bermuda funds including Bermuda Investment Management Ltd, Bermuda Capital Management Ltd, and others.

GUERNSEY (SIS RECOGNISED)

Table listing Guernsey funds including Guernsey Investment Management Ltd, Guernsey Capital Management Ltd, and others.

GUERNSEY (REGULATED)**

Table listing regulated Guernsey funds including Guernsey Investment Management Ltd, Guernsey Capital Management Ltd, and others.

Table listing Ireland (SIS RECOGNISED) funds including Ireland Investment Management Ltd, Ireland Capital Management Ltd, and others.

IRELAND (SIS RECOGNISED)

Table listing Ireland (REGULATED)** funds including Ireland Investment Management Ltd, Ireland Capital Management Ltd, and others.

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Table listing Ireland (REGULATED)** funds including Ireland Investment Management Ltd, Ireland Capital Management Ltd, and others.

Table listing Isle of Man (SIS RECOGNISED) funds including Isle of Man Investment Management Ltd, Isle of Man Capital Management Ltd, and others.

ISLE OF MAN (SIS RECOGNISED)

Table listing Isle of Man (REGULATED)** funds including Isle of Man Investment Management Ltd, Isle of Man Capital Management Ltd, and others.

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Table listing Jersey (SIS RECOGNISED) funds including Jersey Investment Management Ltd, Jersey Capital Management Ltd, and others.

JERSEY (SIS RECOGNISED)

Table listing Jersey (REGULATED)** funds including Jersey Investment Management Ltd, Jersey Capital Management Ltd, and others.

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Table listing Offshore Funds including various international and regional funds.

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Offshore Funds

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IMD executive programs have one of the best P/E ratios. You might find it your best investment yet. Send for your Program Portfolio today.

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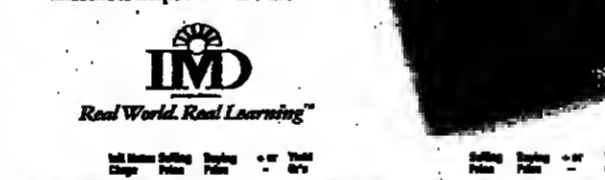


Table listing Public International Fund with columns for fund name, price, and change.

Public International Fund

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Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Main table containing financial data for various funds and insurance products, including columns for fund names, prices, and performance metrics.

Handwritten Arabic text at the bottom of the page, possibly a signature or note.

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

FT Cityline Unit Prices are available over the telephone. Call the FT Cityline Help Desk on (444 477) 873 4378 for more details.

Table of fund prices and performance data, including columns for fund name, price, and change. Includes sections for 'Other Offshore Funds' and 'FT Cityline Unit Prices'.

Main table of fund prices and performance data, organized by fund name, price, and change. Includes various international and domestic fund listings.

Table of fund prices and performance data, continuing the list of funds from the previous table, including offshore insurance and other fund categories.

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OTHER OFFSHORE FUNDS

Table listing various offshore funds with their respective prices and performance metrics.

MANAGED FUNDS NOTES

Notes regarding fund management, including information on fund objectives, risks, and performance metrics.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

Table listing stock prices for various North American companies, including columns for company name, price, and change.

EUROPE

Table listing stock prices for various European companies, including columns for company name, price, and change.

ASIA

Table listing stock prices for various Asian companies, including columns for company name, price, and change.

AUSTRALIA

Table listing stock prices for various Australian companies, including columns for company name, price, and change.

SOUTH AMERICA

Table listing stock prices for various South American companies, including columns for company name, price, and change.

Advertisement for Rockwell: 'By meeting customer needs, Rockwell has become a world leader in components and systems for cars, trucks and trailers.' Includes Rockwell logo.

INDICES

Table showing various stock indices and their values, including Dow Jones, S&P 500, and others.

US INDICES

Table showing US stock indices and their values, including Dow Jones, S&P 500, and others.

AFRICA

Table listing stock prices for various African companies, including columns for company name, price, and change.

SOUTH AMERICA

Table listing stock prices for various South American companies, including columns for company name, price, and change.

INDEX FUTURES

Table showing futures prices for various indices, including columns for index name, price, and change.

US INDEXES

Table showing US index futures prices, including columns for index name, price, and change.

AFRICA

Table listing African stock futures prices, including columns for index name, price, and change.

SOUTH AMERICA

Table listing South American stock futures prices, including columns for index name, price, and change.

Small print text at the bottom of the page providing additional information and disclaimers.

Vertical text on the right edge of the page, including 'Dow Jones' and 'Bourses Inc'.

Handwritten text at the bottom center: 'معلومات الأصل'.

WORLD STOCK MARKETS

AMERICA

Dow boosted by jobs data relief

Relief that August jobs data was broadly in line with analysts' expectations and a lull in the bond market helped lift US shares on course to register their strongest gains of the week since Lisa Branstetter in New York.

noon, the technology-rich Nasdaq composite was 12.00 stronger at 1,137.86 and the Pacific Stock Exchange technology index had gained 1.6 per cent.

Elsewhere, B shares in Viacom added a gain of 3% to Thursday's rise of 32, bringing the shares to 336. On Thursday the company said that it and its parent, National Amusements, would buy back \$500m worth of stock.

reporting that same-store sales were flat in August. The IPC index was 38.37 higher at 3,345.08. The morning's winners included the financial group, BBV-Prubius, which gained 1.8 per cent to 57 cents.

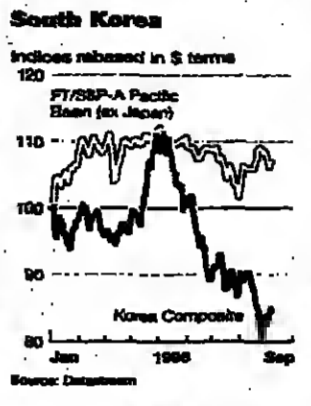
Weary Seoul expects a shortlived respite

John Burton on the new foreign holding limit

The expansion of the foreign shareholding limit on October 1 may provide temporary relief to the Seoul bourse, which has been one of the worst performing markets in Asia this year.

contend with disenchantment among some overseas institutional investors that their return on investment in Seoul has been disappointing during the last three years.

He predicts that the current benchmark three-year bond rate of just above 12 per cent could drop to 10.5 per cent next year.



EUROPE

Bourses recover from intraday weakness

Senior bourses recovered strongly as Wall Street climbed after the US jobs data. PARIS saw an initial reaction which took the CAC-40 down by more than 15 points but at the close, they had almost recovered.

with the Dax index rising 10.19 to an all-time high of 2,542.74. Deutsche Bank traded in DM7.65m as German bourse turnover rose from DM4.5bn to DM5.5bn.

on speculation that it would refrain from launching a costly rescue package for Olivetti, whose shares remained suspended.

surprised to learn Deutsche Morgan Grenfell held up to 57 per cent of its stock in one of the three funds suspended temporarily earlier this week.

Renault was the best of the blue chips, rising by FR2.40 or 2.1 per cent to FR117.70 ahead of next week's interim results.

MILAN took a lead from higher banks and telecoms. The FTSE 100 rose 17.33 to 17,134.8.

VIENNA suspended Creditanstalt, Sch6.1 lower at Sch77.9, after the departure of the savings bank, Die Erste, from the consortium of bidders for the privatisation candidate.

WITNESS and edited by William Cochrane, Michael Morgan and Jeffrey Brown.

ASIA PACIFIC

Nikkei falls on reports of early election

Reports of a possible parliamentary dissolution next month and the decline in US shares on Thursday depressed investor confidence and the Nikkei average fell 1.1 per cent.

could sell their share holdings in order to raise campaign funds. Overseas investors continued to take profits although they placed small lot buying orders of telecommunications and large capital steel stocks.

overnight fall on Wall Street and rising local bond yields. The Nikkei-225 capital index eased 4.1 to 9,253.22 in solid turnover of \$11.1bn.

BANGKOK stocks moved lower for the seventh straight session to leave the SET index off 15.17 at 1,007.51.

The Tokyo index of all first section stocks fell 11.88 to 1,545.92 and the Nikkei 900 lost 1.9 to 297.85.

Domestic institutions, meanwhile, went bargain hunting in electricals. Paper and pulp stocks were sold on reports that the sector would post lower than expected profits this current year.

HONG KONG drifted to a lower close awaiting the day's US data although sharp falls in banking stocks early in the day triggered some late bargain hunting.

WELLINGTON shares held up well in the face of a big overnight fall on Wall Street and rising local bond yields.

FT/SE ACTUARIES WORLD INDICES

Table with columns for Country, Index Name, and various performance metrics (Change, % Change, etc.) for various world indices.

LONDON EQUITIES

LIFE EQUITY OPTIONS

Table listing various equity options with columns for Date, Price, and other financial details.

RISES AND FALLS

Table showing price changes for various financial instruments like British Funds, Other Fixed Interest, etc.

TRADITIONAL OPTIONS

Table listing traditional options with columns for Date, Price, and other details.

LONDON RECENT ISSUES: EQUITIES

Table listing recent equity issues in London with columns for Issue, Price, and other information.

RIGHTS OFFERS

Table listing rights offers with columns for Issue, Amount, and other details.

FINANCIAL TIMES EQUITY INDICES

Table showing equity indices for various sectors like FTSE 100, FTSE 250, etc.

FT GOLD MINES INDEX

Table listing gold mines indices with columns for Date, Price, and other metrics.

TRADEPOINT INVESTMENT EXCHANGE

Volume: 497,000 Value: \$3,339,058

LONDON STOCK EXCHANGE - DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The data is now delivered by FT Extel, a member of the Financial Times Group.

British Funds, etc

Treasury 6 1/2% Ln 2000 - £104 (045402)
Concoron PLC Ln 2001 - £104 (045402)

Corporation and County Stocks

Country (City of) 6 1/2% Ln 2000 - 90 (045402)
Dealing Hamilton Borough Council 7 1/2% Ln 2010 - 82.48 (045402)

UK Public Bonds

Metropolitan Water 2 1/2% ADR 03/03/03 - 77 (045402)
Port of London Authority 3 1/2% Part of London 1998 2000 - 82.48 (045402)

Debt Issuance Programmes

Albany National Treasury Servs PLC Pledge Refd Term Nts 10/99 30/105 - 97 (045402)
Broadband & Singly Building Society Colld Refd Term Nts 2000 £1000 (Pg) - 100 (045402)

Sterling Issues by Overseas Borrowers

European Investment Bank 6% Ln 2001 (Pg) - 100 (045402)
European Investment Bank 10 1/2% Ln 2004 (Pg) - 114 (045402)

Listed Companies (excluding Investment Trusts)

Albany National PLC 10 1/2% Non-Cum Sterling Prd. Nts £1 - 100 (045402)
Abbot Group PLC 7 1/2% Cum Prd. - 90 (1/4) (045402)

Alternative Investment Trusts

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London Finance & Investment Grp PLC Wts to Subscribe for Ord - 12 (035402)
London International Group PLC ADR (5:1) - 912 (7)

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London International Group PLC ADR (5:1) - 912 (7)

ASIAN TELECOMS Telecommunications in the 21st Century. 28-29 October 1996 Hong Kong. ASIAN TELECOMS presents a concise opportunity to examine the future trends of the telecommunications markets in Asia. Speakers include: Dr Henry Chasia, Deputy Secretary General International Telecommunications Union, Switzerland; Mr John Carrington, Group Managing Director Mobile Systems International, UK; Mr Alex Arena, Director General Telecommunications Authority, Hong Kong; Mr Simeon Kintanar, Director National Telecommunications Commission, Philippines; Mr Leong Keng Thai, Deputy Director General Telecommunications Authority of Singapore.

FT FINANCIAL TIMES Financial Publishing. CREDIT RATINGS international. FT-Credit Ratings International provides the only comparative listing of the credit ratings assigned to around 6000 international borrowers by the world's leading rating agencies: Canadian Bond Rating Service, Dominion Bond Rating Service, Duff & Phelps, Fitch Investors Service, IBCA, The Japan Bond Research Institute, Japan Credit Rating Agency, Moody's Investors Service, Nippon Investors Service, Standard & Poor's Corporation, S&P - ADEF, Thomson Bankwatch. In addition multiple ratings of individual issuers are aggregated into the unique FT-CRI Composite Index.

The Financial Times plans to publish a Survey on International Telecoms on Friday, September 20. Telecommunications is now so significant to business strategy that purchase decisions are made at a very senior management level. The FT reaches this elusive & valuable audience better than any other European business publication. *51% of CEOs and Finance Directors in Europe's Largest Companies read the FT, source: Europe's Largest Companies (Mori). For further information please contact Maria McCoy in London on +44 171 873 3746 or Fax + 44 171 873 4336. Joanne Gerrard on + 44 171 873 4181 or your usual Financial Times representative.

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LONDON STOCK EXCHANGE

MARKET REPORT

Relief over US jobs sees UK equities rally

By Steve Thompson, UK Stock Market Editor

Predictions of turmoil spreading from the US to European markets in the wake of the latest monthly non-farm payroll report were confounded yesterday.

quickly dived to post a 30-point fall, before staging an equally impressive rally. A subsequent strong start to the day by Wall Street, which was quickly into its stride and where the Dow Jones Industrial Average was up over 30 points shortly after the opening, was eagerly followed by dealers in London.

Over a week which has seen UK shares see-saw, as the market responded to bursts of takeover speculation and fears of a big rise in US interest rates, the FT-SE 100 index has emerged with a 25.4 point rise while the Mid 250 has fallen 12.

US markets, Mr Richard Jeffrey, economist at Charterhouse Tilley, the stockbroker, said the rise in new jobs had come within the expected market range and markets had already discounted all the bad news on that front.

Regarding the UK market, Mr Jeffrey said he still had 4,000 in his sights for Footsie. "September is traditionally a bad month for UK equities. I think September 1996 will prove the exception."

FT-SE All-Share Index

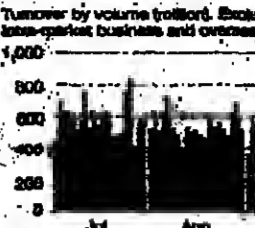


Table with 2 columns: Index Name and Value. Includes FT-SE Mid 250 (4403.2), FT-SE All-Share (1947.1), FT-SE All-Share yield (3.83), FT Ordinary index (2811.2), FT-SE Non Fin p/e (17.51), FT-SE 100 Fut Sep (3905.0), 10 yr GR yield (7.91), Long gilts/yield ratio (2.14).

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in million shares for various sectors including Energy, Chemicals, Telecom, and others. Columns include Sector, Volume, and % change.

EQUITY FUTURES AND OPTIONS TRADING

The strong performance on Wall Street helped the derivatives sector in London. Futures for an early rebasel, writes Joel Kibazo.

Table of FT-SE 100 INDEX FUTURES (LFFS) and FT-SE 100 INDEX OPTION (LFFO) with columns for Open, Settle, High, Low, and Volume.

FT-SE A INDICES - LEADERS & LAGGARDS

Table showing percentage changes for various FT-SE A indices such as FT-SE 100, FT-SE 250, FT-SE 350, etc.

Heavy trading in Lucas

By Joel Kibazo and Lisa Wood

Components group Lucas Industries, whose merger with US company Verity became effective yesterday, turning the group into LucasVarity, was one of the day's big market features.

Schroders easier

Independent merchant banking group Schroders was the worst performer in the Footsie after reporting half figures just below some overly-optimistic expectations.

agement business. The investment bank has set a 150p target for the stock.

Bass worries

Continuing uncertainty over whether Bass's acquisition of the majority of Carlsberg-Tetley will be returned to the Monopolies and Mergers Commission cast a shadow over the brewing sector.

John Mowlem climbed 7 to 88p after strong interim results and a suggestion that the company might arrange the partial flotation of one of its units.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various companies like AgriaScan, BFL Group, Capita Group, etc.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52-week high and low prices for various companies like AgriaScan, BFL Group, Capita Group, etc.

FT-SE Actuaries Share Indices

Table showing FT-SE Actuaries Share Indices for various categories like FT-SE 100, FT-SE 250, etc.

The UK Series

Table showing UK Series indices for various sectors like FT-SE 100, FT-SE 250, etc.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share indices for various categories like FT-SE 100, FT-SE 250, etc.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, FT-SE All-Share, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors like Energy, Chemicals, Telecom, etc.

Prices for planting and for the harvesting of the rainforest tree

Table showing prices for planting and harvesting of rainforest trees.

THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company")

£2,000 nominal debentures 1996/2000 Series ("Centre Court Debentures")

TO SAVE THE RAINFOREST WE PROVIDE TREES TO CHOP DOWN.

By helping people in the industry to plant trees, WWF is making to solve some of the problems that cause deforestation.

OPEN FACILITY

Table showing Open Facility for various companies like AgriaScan, BFL Group, Capita Group, etc.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, FT-SE All-Share, etc.

FT-SE Actuaries 350 Industry baskets

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LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector.

BREWERS, PUBS & REST

Table listing companies in the Brewers, Pubs & Restaurants sector.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector.

ELECTRICITY

Table listing companies in the Electricity sector.

ENGINEERING - Cont.

Table listing companies in the Engineering sector (continued).

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector.

INSURANCE

Table listing companies in the Insurance sector.

FOOD PRODUCERS

Table listing companies in the Food Producers sector.

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods sector (continued).

INVESTMENT TRUSTS - Cont.

Table listing companies in the Investment Trusts sector (continued).

CHEMICALS - Cont.

Table listing companies in the Chemicals sector (continued).

DISTRIBUTORS

Table listing companies in the Distributors sector.

ENGINEERING

Table listing companies in the Engineering sector.

EXTRACTIVE INDUSTRIES - Cont.

Table listing companies in the Extractive Industries sector (continued).

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods sector (continued).

INSURANCE

Table listing companies in the Insurance sector.

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HOUSEHOLD GOODS

Table listing companies in the Household Goods sector.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Table listing companies in the Electronic & Electrical Equipment sector (continued).

ENGINEERING

Table listing companies in the Engineering sector.

EXTRACTIVE INDUSTRIES - Cont.

Table listing companies in the Extractive Industries sector (continued).

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods sector (continued).

INSURANCE

Table listing companies in the Insurance sector.

FOOD PRODUCERS

Table listing companies in the Food Producers sector.

INVESTMENT TRUSTS

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HOUSEHOLD GOODS

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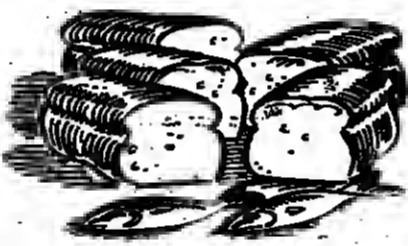
INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector.

INSURANCE

Table listing companies in the Insurance sector.

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ENGINEERING - Cont.

Table listing companies in the Engineering sector (continued).

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector.

INSURANCE

Table listing companies in the Insurance sector.

FOOD PRODUCERS

Table listing companies in the Food Producers sector.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector.

FOOD PRODUCERS - Cont.

Table listing companies in the Food Producers sector (continued).

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector.

HEALTH CARE

Table listing companies in the Health Care sector.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector.

INSURANCE

Table listing companies in the Insurance sector.

FOOD PRODUCERS

Table listing companies in the Food Producers sector.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector.

معلومات الاصل

LONDON SHARE SERVICE

BUY TRUSTS SPLIT CAPITAL - Cont.

Table listing Buy Trusts Split Capital with columns for company name, price, and other financial data.

OTHER INVESTMENT TRUSTS

Table listing Other Investment Trusts with columns for company name, price, and other financial data.

INVESTMENT COMPANIES

Table listing Investment Companies with columns for company name, price, and other financial data.

LEISURE & HOTELS

Table listing Leisure & Hotels with columns for company name, price, and other financial data.

LEISURE & HOTELS - Cont.

Table listing Leisure & Hotels - Cont. with columns for company name, price, and other financial data.

OIL EXPLORATION & PRODUCTION

Table listing Oil Exploration & Production with columns for company name, price, and other financial data.

OIL, INTEGRATED

Table listing Oil, Integrated with columns for company name, price, and other financial data.

OTHER FINANCIAL

Table listing Other Financial with columns for company name, price, and other financial data.

PAPER, PACKAGING & PRINTING - Cont.

Table listing Paper, Packaging & Printing - Cont. with columns for company name, price, and other financial data.

PHARMACEUTICALS

Table listing Pharmaceuticals with columns for company name, price, and other financial data.

PROPERTY

Table listing Property with columns for company name, price, and other financial data.

PROPERTY - Cont.

Table listing Property - Cont. with columns for company name, price, and other financial data.

RETAILERS, FOOD

Table listing Retailers, Food with columns for company name, price, and other financial data.

RETAILERS, GENERAL

Table listing Retailers, General with columns for company name, price, and other financial data.

SUPPORT SERVICES

Table listing Support Services with columns for company name, price, and other financial data.

JOTTER PAU

Table listing Jotter Pau with columns for company name, price, and other financial data.

SUPPORT SERVICES - Cont.

Table listing Support Services - Cont. with columns for company name, price, and other financial data.

TELECOMMUNICATIONS - Cont.

Table listing Telecommunications - Cont. with columns for company name, price, and other financial data.

TEXTILES & APPAREL

Table listing Textiles & Apparel with columns for company name, price, and other financial data.

TOBACCO

Table listing Tobacco with columns for company name, price, and other financial data.

TRANSPORT

Table listing Transport with columns for company name, price, and other financial data.

WATER

Table listing Water with columns for company name, price, and other financial data.

AM

Table listing AM with columns for company name, price, and other financial data.

AM - Cont.

Table listing AM - Cont. with columns for company name, price, and other financial data.

AMERICANS

Table listing Americans with columns for company name, price, and other financial data.

CANADIANS

Table listing Canadians with columns for company name, price, and other financial data.

SOUTH AFRICANS

Table listing South Africans with columns for company name, price, and other financial data.

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Spain admits legal gap in currency regulation

By Clay Harris in London

Spain has a "legal gap" in dealing with companies offering high-risk currency investments to private investors, the country's financial regulator has admitted.

The schemes invite investors to undertake heavily leveraged trades on foreign exchange markets - typically 20 to 50 times their initial deposit. Many investors lose most or all of their money in a short time, according to police who have investigated their activities in several countries.

Spain's attraction as a base for such businesses has increased as other European countries, especially the UK and Denmark, have tightened their regulatory grip on the sector.

Wealthy expatriates in Spain have always been prime targets for such companies. But new entrants to the country are directing their pitches internationally, especially to Scandinavia, the UK and other countries in northern Europe.

Laurion, a Hamburg-based company active in promoting such investments throughout

Europe, has opened an office in Barcelona to which recipients of its direct mailshots are invited to apply. Laurion has links with Nordex Denmark, a currency company raided by Danish police last week.

The Comisión Nacional del Mercado de Valores, Spain's financial regulatory agency, said this week the country had no specific regulation or authority in charge of controlling foreign exchange contracts offered by non-registered entities. The CNMV had taken out advertisements in 1993 to warn against *chiringuitos*, or "kiosks". Since then, the agency had started administrative proceedings and taken sanctions against seven companies which had no licenses. Police had been sent information about fraudulent operations for another four or five companies.

"These were the cases in which it was possible to demonstrate the actual execution of the operations after exhaustive investigation," the CNMV said. "In other cases, the principals and employees of the companies involved immediately disappeared. In many

cases, we found them again, running the same operations under different companies." The agency continued: "Frankly, we have a legal gap and, consequently, we haven't enough instruments to avoid these fraudulent operations."

The police and regulatory tightening elsewhere in Europe - the UK Serious Fraud Office raided three companies in July in addition to the Danish move against Nordex - has increased Spain's need to monitor new entrants to its market.

Laurion is connected with Nordex at least through Mr Gareth Martin Bell, Nordex's Copenhagen manager who is also subject to a sale of Man injunction related to Laurion.

Since February, companies offering such investments in the UK have been required to seek authorisation by the Securities and Futures Authority. So far, only one firm has been authorised by the SFA.

Another 21 are allowed to continue to operate while their applications are being considered, although their customers are not covered by the Investors Compensation Scheme.

Taiwan lawmaker is triad's spiritual leader

By Laura Tyson in Taipei

A member of Taiwan's national legislature has admitted he is the "spiritual head" of the Heavenly Path Alliance, one of the country's biggest triads, or gangs.

The unprecedented admission, broadcast on television, confirms widespread speculation linking Mr Lo with Taiwan's triads.

The fact that Mr Lo chose to reveal his gangland connections is both a reflection of his self-confidence - members of the legislature enjoy virtual immunity from arrest and prosecution while in office - and a sign of just how powerful he and the underworld have become in Taiwan.

The revelation came as police authorities launched a national sweep on organised crime which has netted dozens of known gangsters since last weekend. Among those apprehended was Mr Tsai Kuan-ru, reputed boss of the Four Seas Gang, the island's second-biggest triad.

Mr Tsai, who runs a legitimate construction business, was arrested along with his mistress, wife and a number of associates and charged with ordering murders and possession of drugs and weapons. He has twice tried to get elected to the legislature but failed.

In June, the National Police Administration identified 126 major gangs with combined membership of 5,800 members across the island.

The crackdown was undertaken in the wake of a spate of triad-inspired corruption cases and violent attacks on critics of the gang.

But government critics said the crackdown would be meaningless unless alleged gangsters who have "laundered" their reputations by being elected to public office are also targeted.

Mr Lien Hsiung-kuang, another independent lawmaker from Taipei county, on Monday demanded the government sweep away gang-infused politicians. Identifying five fellow lawmakers by name and accusing 25 others of having gangland backing, Mr Lien said: "If a big boss like Lo Fu-chu is not arrested, any crackdown on triads is phoney."

Last month, Mr Lien was abducted from his home and abandoned in a dog cage in a wooded mountain area.

THE LEX COLUMN

Canal Plus plus

Yesterday's \$7bn merger between France's Canal Plus and NetHold of the Netherlands looks less like the emergence of a ferocious predator in European pay-television than the huddling together of two potential victims.

Canal Plus has found itself outmanoeuvred by Mr Rupert Murdoch and Mr Leo Kirch, the Bavarian mogul, in this year's elaborate battle to carve up the German pay-TV market. Meanwhile, NetHold has looked too weak to defend its patch - Benelux and Scandinavia.

Harding together may help keep the wolf from the door. Canal Plus's debt-free balance sheet and profits will be able to cover NetHold's start-up losses; and may even deter rivals from invading its territory. If so, the merger will hasten the carve-up of western Europe into regional pay-TV monopolies: of the big countries, only Spain will remain a battleground.

So far, Mr Dobson has been able to ride out the inevitable grumbling this has provoked. But now - with Deutsche Bank suffering damage to its reputation and a financial hit - there must be a risk that the reins will be tightened. Mr Rolf Breuer, the Deutsche director in charge of asset management, has already said that responsibility for the UK unit trusts may be moved to Frankfurt.

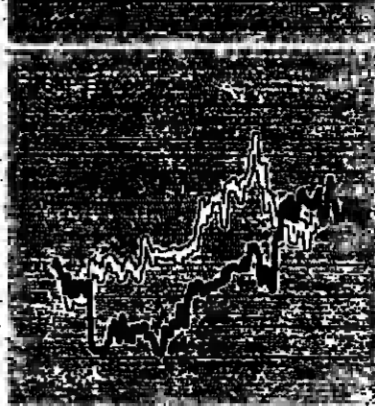
He has also pointed out that more discipline is needed (not just in the fund management side) and that having stars is inherently risky. None of this yet amounts to a backlash. But it does underline the delicate task at the heart of the whole DMG project - marrying Anglo-Saxon wheeler-dealer culture to deep Teutonic pockets.

Morgan Grenfell

Mr Michael Dobson, Deutsche Morgan Grenfell's chief executive, will need all his undoubted charm in coming weeks. Not only must he convince UK investors that Morgan Grenfell is a competent fund manager, following the scandal unearthed at several of its unit trusts; he also needs to reassure fellow Deutsche Bank directors in Frankfurt that the ambitious strategy for building DMG into a world-class investment bank is still on track.

To date, Mr Dobson has been able to act with little interference from Frankfurt. DMG has been based in London on the theory that the slow-moving culture of a German clearing bank is not suited to the fast pace of financial markets. Star bankers, analysts and traders have been poached from rival firms -

FT-SE Eurotrack 200:
1713.7 (-2.4)



enjoying salaries many times larger than their German colleagues.

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Just as competitive activity was shifting towards service rather than price, and inflation was creeping back on to supermarket shelves, Tesco has ended the ceasefire. Investors have so far been unperturbed by Tesco's decision to offer a lowest price guarantee on 600 basic product lines, but they should not be. Unlike previous skirmishes on baked bean and banana prices, this is an open-ended and broadly based pricing strategy. And it is happening at a time when Asda is still vowing its commitment to offering lower prices than everyone else. This is a dangerous combination, and the rest of the retail pack will have to follow. The attempts by J. Sainsbury and Asda to build overseas retail businesses look increasingly sensible.

Nursing homes

The £250m merger of Takare and Court Cavendish, two UK nursing home operators, signals the resurrection of an industry that has spent three years on its sickbed. Given an ageing population, high margins and relatively secure income streams, nursing homes should be a great business. But overexpansion by aggressive private operators, like Tesco, has created overcapacity at a time when changes in government legislation have extended the time it takes to fill a new home. As a result, returns and share prices have suffered: Takare has underperformed the stock market by 50 per cent since 1994.

Consolidation is the logical response. With the shares of many nursing homes now trading at or below net asset value, it is cheaper to buy homes than to build them, especially as the acquired beds are already full. Moreover, a larger group should reap cost savings, thereby boosting margins. More importantly in this deal, the all-share merger preserves a strong balance sheet, enabling further acquisitions without recourse to fresh equity. And the group plans to make existing assets sweat harder by adding extra services, such as day surgeries.

There will be hiccups - a hostile bid for Goldsbrough, another operator, failed earlier this year. But consolidation is in its infancy - the enlarged Takare will have just 2% per cent of the market. This combination of decent underlying growth and a new focus on shareholder value should prompt investors to take a fresh look at the sector.

Morgan Grenfell

Continued from Page 1

and regulators are continuing to investigate links between Mr Young and a company called Russ Oil & Trading, both named as defendants in an injunction taken out this week.

They are also inquiring into the personal banking arrangements which Mr Young, who recently acquired a £450,000 (\$700,000) house in the UK, had with a Morgan Grenfell subsidiary in Jersey.

Morgan Grenfell suspended Mr Young's European Growth Trust and the two other investment funds, together holding about £1.4bn in retail savings, after discovering they contained investments in shell companies with no real businesses.

Deutsche Bank, the ultimate parent of Morgan Grenfell, has injected £180m to keep the funds afloat and to meet withdrawals by retail investors, which had mounted to £148m by last night.

But the Investment Management Regulatory Organisation, which regulates MGAM and is investigating the three, has insisted on the appointment of an unnamed accountancy firm to calculate a further payment to investors.

The calculations will depend on the timing of an investor's entry into the three funds, but European Growth Trust alone has dropped in value by about \$150m since Morgan Grenfell first had worries about its portfolio in April.

French private pensions

Continued from Page 1

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Canal Plus merger plan

Continued from Page 1

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FT WEATHER GUIDE

Europe today
High pressure will bring sunshine to most of western Europe. The Netherlands will have some cloud, but Belgium, France, Spain and Portugal will have widespread sunshine. Rain is expected in Austria and northern Italy, while southern Italy will have thunderstorms. A strong wind will blow from the north across south-western France, and winds will be fresh north of the Alps. The Balkan states will have showers, and the Black Sea area will have some thunder. The southern Mediterranean will be sunny.

Five-day forecast
A low pressure system will move from the north, bringing colder air, showers and near gale force winds into northern Europe by next week. France and Spain will be mainly sunny and dry, although thundery showers will develop over eastern Spain.

TODAY'S TEMPERATURES

Abu Dhabi	sun 27	cloudy 32	Faro	sun 25	Madrid	sun 28	Rangoon	fair 33
Accra	sun 27	rain 11	Frankfurt	sun 17	Malacca	sun 27	Reykjavik	rain 11
Agra	sun 19	Rangoon	sun 27	Rio	sun 27	Rome	sun 25	
Amsterdam	sun 14	Rangoon	sun 27	Rome	sun 25	S. Francisco	sun 24	
Bangkok	sun 30	Shanghai	sun 27	S. Francisco	sun 24	Seoul	sun 27	
Batavia	sun 27	Shanghai	sun 27	Seoul	sun 27	Singapore	sun 27	
Bombay	sun 27	Singapore	sun 27	Singapore	sun 27	Stockholm	sun 15	
Buenos Aires	sun 27	Stockholm	sun 15	Stockholm	sun 15	Strasbourg	sun 16	
Calcutta	sun 27	Strasbourg	sun 16	Sydney	sun 21	Taipei	sun 27	
Cairo	sun 27	Sydney	sun 21	Taipei	sun 27	Tokyo	cloudy 28	
Cape Town	sun 27	Taipei	sun 27	Tokyo	cloudy 28	Toronto	sun 21	
Cardiff	sun 19	Toronto	sun 21	Toronto	sun 21	Vancouver	sun 20	
Chennai	sun 27	Vancouver	sun 20	Vancouver	sun 20	Vancouver	sun 20	
Colombo	sun 27	Washington	sun 20	Washington	sun 20	Vienna	sun 14	
Dakar	sun 27	Washington	sun 20	Washington	sun 20	Warsaw	sun 12	
Dallas	sun 27	Warsaw	sun 12	Warsaw	sun 12	Wellington	sun 12	
Darwin	sun 27	Wellington	sun 12	Wellington	sun 12	Whitbang	sun 23	
Delhi	sun 27	Whitbang	sun 23	Whitbang	sun 23	Zurich	sun 15	
Doha	sun 27	Zurich	sun 15	Zurich	sun 15			
Dubrovnik	sun 27							
Edinburgh	sun 16							

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